

Development of an integrated operating framework for strategy execution in Gauteng municipalities

by

Johannes Henricus Leibbrandt

(22696946)

A thesis submitted in fulfilment of the requirements for the degree of

Doctor of Philosophy (Ph.D.)

in the Faculty Economic and Management Sciences at the Potchefstroom Campus
of the North-West University

Promoter: Professor C. Botha

September 2013

ABSTRACT

The establishment of a new democracy has created high expectations amongst all the different communities of South Africa. The demand for basic essential services by the previously disadvantaged communities has increased drastically, whilst at the same time, communities from developed areas are expecting and demanding an acceptable level of maintenance and services in their respective areas.

Municipalities are in serious distress with regular service delivery protests, huge service delivery and infrastructure backlog challenges (e.g. electricity, roads, housing, water, sanitation, and more), poor financial management and the inability to execute approved strategies, plans and programs.

This study focused on the municipalities in the Gauteng Province of South Africa and the main objective was to answer the research problem: “*What prevents Gauteng municipalities to successfully execute its strategies and what can be done to address the situation?*”

The research objectives were *firstly*, to review the literature and determine the key enablers required for successful strategy execution; *secondly*, to analyse the findings of the empirical study and to make recommendations towards the improvement of strategy execution within Gauteng municipalities. The *third* and final objective was to develop an integrated operating framework for strategy execution in Gauteng municipalities.

The study concluded by making recommendations and developing an integrated operating framework for municipalities which is based on the key enablers required to execute a municipality’s *strategy* successfully and produce effective *services and customer satisfaction*.

The key enablers are:

- *leadership and management;*
- *organisation, people and skills;*
- *systems and technology;*
- *policies, processes and procedures;*
- *resources and budgeting; and*
- *performance management.*

Key words: *strategy; execution; planning; integrated; and framework.*

OPSOMMING

Die totstandkoming van die nuwe demokrasie het hoë verwagtinge geskep by die verskillende gemeenskappe in Suid-Afrika. Die aanvraag na basiese dienste by veral die voorheen benadeelde gemeenskappe het dramaties verhoog, terwyl terselfdertyd, gemeenskappe vanuit die ontwikkelde gebiede 'n aanvaarbare vlak van onderhoud en dienste verwag het.

Munisipaliteite is huidig onder geweldige druk met gereelde dienslewering protesaksies, groot dienslewering- en infrastruktuuragterstande (bv. behuising, water, elektrisiteit, paaie, riool, en andere), swak finansiële bestuur en die onvermoë om goedgekeurde strategieë, planne en programme uit te voer.

Die navorsing het gefokus op die munisipaliteite binne die Gauteng Provinsie en die hoofdoelwit was om die navorsingsprobleem te beantwoord: *“Wat verhoed Gauteng munisipaliteite om hul strategieë suksesvol uit te voer en wat kan gedoen word om die situasie die hoof te bied?”*

Die navorsingsdoelwitte was *eerstens*, om die literatuur te bestudeer en te bepaal wat is die sleutelemente wat nodig is om suksesvolle strategie implementering te bewerkstellig; *tweedens*, om die resultate van die empiriese navorsing te ontleed en aanbevelings te maak hoe om die implementeringsvermoë van munisipaliteite in Gauteng te verbeter. Die *derde* en finale doelwit was om 'n geïntegreerde bedryfsraamwerk vir strategie implementering te ontwikkel.

Die studie sluit af met aanbevelings asook 'n geïntegreerde bedryfsraamwerk om munisipaliteite se vermoë om strategieë te implementeer, te verbeter.

Die sleutelemente wat 'n munisipaliteit benodig om die gekosestrategie suksesvol te implementeer en effektiewe dienste te lewer, is:

- *leierskap en bestuur;*
- *organisasie, personeel en kundigheid;*
- *stelsels and tegnologie;*
- *beleid, prosesse and prosedures;*
- *hulpbronne en begroting; en*
- *prestasiebestuur.*

Sleutelwoorde: *strategie, uitvoering; beplanning; geïntegreerd; en raamwerk.*

ACKNOWLEDGEMENTS

I would like to express my sincere appreciation to the following individuals and organisations:

- Prof Christoff Botha as my promoter for his professional guidance and encouragement throughout the course of this study;
- Dr Suria Ellis and Ms Lusilda Boshoff from the Statistical Consultation Services at the North-West University for their professional statistical guidance and support;
- Mrs Antoinette Bisschoff, for her language, technical and typographical editing and support;
- Ms Christine Bronkhorst and other library staff of the North-West University in Potchefstroom;
- The Gauteng Provincial Government and the municipalities in Gauteng that participated and contributed to the empirical study;
- My employer, PricewaterhouseCoopers (PwC), for the support throughout the study;
- Johnny Leibbrandt and Ansie Booysen for their motivation and encouragement; and
- Finally, a special thank you to my spouse Karin for her patience and encouragement throughout the course of my study.

TABLE OF CONTENTS

	Page
ABSTRACT	ii
OPSOMMING	iv
ACKNOWLEDGEMENTS	vi
LIST OF FIGURES	xv
LIST OF TABLES	xvi
LIST OF HISTOGRAMS	xvii
LIST OF ACRONYMS	xviii
CHAPTER 1: NATURE AND SCOPE OF THE STUDY	1
1.1 INTRODUCTION	1
1.2 RESEARCH PROBLEM	4
1.2.1 Background	4
1.2.2 Problem Statement Motivation	6
1.3 RESEARCH OBJECTIVES	6
1.3.1 Research Objective 1	6
1.3.2 Research Objective 2	6
1.3.3 Research Objective 3	7
1.4 CLARIFICATION OF TERMINOLOGY	7
1.4.1 Councillor	7
1.4.2 Municipal Council	7
1.4.3 Municipality	7
1.4.4 Local Government	8
1.4.5 Community	8
1.5 DIVISION OF THE STUDY	9
1.6 CHAPTER SUMMARY	10

	Page
CHAPTER 2: STRATEGY EXECUTION	11
2.1 INTRODUCTION	11
2.2 DEFINITIONS	11
2.2.1 Definitions of Strategy	11
2.2.2 Definitions of Strategy Execution	13
2.3 STRATEGY EXECUTION	14
2.3.1 Background	14
2.3.2 Strategy Formulation	16
2.3.3 Leadership and Management	18
2.3.4 Organisation, People and Skills	22
2.3.5 Policies, Processes, Technology and Systems	25
2.3.6 Performance Management	27
2.3.7 Resources and Budgeting	29
2.3.8 Services and Customer Care	30
2.4 STRATEGY EXECUTION FRAMEWORKS	32
2.4.1 McKinsey's (7) 'S' Framework for Strategy Execution	32
2.4.2 Higgins Eight (8) 'S' Framework for Execution	35
2.4.3 Brenes <i>et al.</i> 's Framework for Strategy Execution	38
2.4.4 Spence's Framework for Strategy Execution	40
2.4.5 Pryor <i>et al.</i> 's Five (5) 'P' Framework for Strategy Execution	43
2.4.6 Balanced Scorecard Framework for Strategy Execution	45
2.4.7 The Eight (8) Levers of Strategy Execution	47
2.4.8 Strategy Execution Enablers/Barriers	48
2.4.9 Review of Strategy Execution Frameworks	49
2.5 CHAPTER SUMMARY	50

	Page
CHAPTER 3: STRATEGY AND PLANNING IN LOCAL GOVERNMENT	52
3.1 INTRODUCTION	52
3.2 SERVICES AND CUSTOMER CARE	53
3.2.1 Background	53
3.2.2 The Batho Pele White Paper (BPWP)	53
3.3 INTEGRATED DEVELOPMENT PLAN (IDP)	57
3.3.1 Background	57
3.3.2 Content of the Integrated Development Plan (IDP)	59
3.3.3 Process Plan	61
3.3.4 Phase One (1): Analysis	62
3.3.5 Phase Two (2): Strategies	62
3.3.6 Phase Three (3): Projects	63
3.3.7 Phase Four (4): Integration	63
3.3.8 Phase Five (5): Approval	63
3.3.9 Coordination and Management	65
3.3.10 Institutional Arrangements	65
3.3.11 Reviewing the IDP	66
3.3.12 Public Participation Process	66
3.3.13 District IDP Framework	67
3.3.14 District Municipality IDP	68
3.3.15 Provincial Government	68
3.4 SERVICE DELIVERY AND BUDGET IMPLEMENTATION PLAN (SDBIP)	70
3.4.1 Background	70
3.4.2 Annual Implementation Plan	70

3.5	PERFORMANCE MANAGEMENT SYSTEM (PMS)	72
3.5.1	Background	72
3.5.2	Legislative framework	73
3.6	CHAPTER SUMMARY	77
CHAPTER 4:	RESEARCH METHODOLOGY AND DESIGN	78
4.1	INTRODUCTION	78
4.2	LITERATURE STUDY	79
4.3	RESEARCH DESIGN	79
4.3.1	Qualitative Research	80
4.3.2	Quantitative Research	81
4.4	DATA COLLECTION METHODS	81
4.5	SURVEY RESEARCH	83
4.6	QUESTIONNAIRES	85
4.6.1	Data Collecting Instrument	85
4.6.2	Design and Structure	85
4.6.3	Structured Questionnaires	87
4.6.4	Open-ended and Closed Questions	88
4.7	RESEARCH DESIGN FOR THE SURVEY	89
4.7.1	Structured Questionnaire	89
4.7.2	Descriptive Statistics	90
4.7.3	Validity	90
4.7.4	Reliability	95
4.7.5	Target Population	95
4.7.6	Sampling	97
4.7.7	Pilot Survey	98
4.7.8	Limitations of the Survey	99
4.7.9	Data Collection Process	100
4.8	CHAPTER SUMMARY	101

	Page
CHAPTER 5: INTERPRETATION OF RESULTS	103
5.1 INTRODUCTION	103
5.2 ANALYSIS OF COLLECTED DATA	104
5.2.1 Descriptive Statistics and Frequency Analysis	104
5.2.2 Structural Validity	105
5.2.3 Reliability	105
5.3 GENERAL INFORMATION	105
5.3.1 Management Levels	106
5.3.2 Participating Municipalities	107
5.3.3 Highest Qualifications of Participants	108
5.4 STRATEGY AND PLANNING	109
5.4.1 Frequencies and Descriptive Statistics	109
5.4.2 Factor Analysis	111
5.4.2.1 Factor One (1): Project Planning	113
5.4.2.2 Factor Two (2): Growth and Development Strategy (GDS)	114
5.4.2.3 Factor Three (3): Planning, Risk and Compliance	115
5.4.2.4 Factor Four (4): Five (5) Year Integrated Development Plan (IDP)	116
5.4.3 Factor Correlation Matrix	116
5.4.4 Review of Strategy and Planning	117
5.5 LEADERSHIP AND MANAGEMENT	118
5.5.1 Frequencies and Descriptive Statistics	118
5.5.2 Factor Analysis	120
5.5.2.1 Factor One (1): General Management	122
5.5.2.2 Factor Two (2): Execution Hampering	123
5.5.2.3 Factor Three (3): Execution Focus	124
5.5.2.4 Factor Four (4): Management Meetings	125
5.5.3 Factor Correlation Matrix	126
5.5.4 Frequencies: Leadership and Management (Part 2)	126

	Page
5.5.5 Review of Leadership and Management	128
5.6 ORGANISATION, PEOPLE AND SKILLS	130
5.6.1 Frequencies and Descriptive Statistics	130
5.6.2 Factor Analysis	132
5.6.2.1 Factor One (1): Human Resource Planning	134
5.6.2.2 Factor Two (2): Organisational Structure	134
5.6.2.3 Factor Three (3): Morale, Skills Fit and Performance	135
5.6.2.4 Factor Four (4): Skills Development	136
5.6.2.5 Factor Five (5): Culture of Execution	137
5.6.3 Factor Correlation Matrix	137
5.6.4 Review of Organisation, People and Skills	138
5.7 SYSTEMS AND TECHNOLOGY	139
5.7.1 Frequencies and Descriptive Statistics	139
5.7.2 Factor Analysis	141
5.7.2.1 Factor One (1): Technology Support	143
5.7.2.2 Factor Two (2): Financial System	144
5.7.2.3 Factor Three (3): Fleet Management System	144
5.7.2.4 Factor Four (4): Master Systems Plan (MSP)	145
5.7.3 Factor Correlation Matrix	145
5.7.4 Review of Systems and Technology	146
5.8 POLICIES, PROCESSES AND PROCEDURES	147
5.8.1 Frequencies and Descriptive Statistics	147
5.8.2 Factor Analysis	149
5.8.2.1 Factor One (1): Processes, Procedures and Governance	151
5.8.2.2 Factor Two (2): Policies	152
5.8.3 Factor Correlation Matrix	152
5.8.4 Review of Policies, Processes and Procedures	153
5.9 RESOURCES AND BUDGETING	154
5.9.1 Frequencies and Descriptive Statistics	154

	Page
5.9.2 Factor Analysis	156
5.9.2.1 Factor One (1): Resources and Project Execution	159
5.9.2.2 Factor Two (2): Annual Spending	160
5.9.2.3 Factor Three (3): Under Spending	161
5.9.2.4 Factor Four (4): External Resources	162
5.9.2.5 Factor Five (5): SDBIP and Budget Alignment	162
5.9.3 Factor Correlation Matrix	163
5.9.4 Review of Resources and Budgeting	163
5.10 SERVICES AND CUSTOMER CARE	164
5.10.1 Frequencies and Descriptive Statistics	164
5.10.2 Factor Analysis	166
5.10.2.1 Factor One (1): Service Standards and Delivery	168
5.10.2.2 Factor Two (2): Service Equipment	169
5.10.2.3 Factor Three (3): Customer Relations Management (CRM)	170
5.10.3 Factor Correlation Matrix	170
5.10.4 Review of Services and Customer Care	171
5.11 PERFORMANCE MANAGEMENT	172
5.11.1 Frequencies and Descriptive Statistics	172
5.11.2 Factor Analysis	174
5.11.2.1 Factor One (1): Performance Monitoring and Evaluation	176
5.11.2.2 Factor Two (2): Productivity and Project Execution	177
5.11.3 Factor Correlation Matrix	178
5.11.4 Review of Performance Management	178
5.12 CHAPTER SUMMARY	180

	Page
CHAPTER 6: FINDINGS AND RECOMMENDATIONS	182
6.1 INTRODUCTION	182
6.2 RESEARCH PROBLEM AND OBJECTIVES	182
6.2.1 Research Methodology	183
6.2.2 Research Objective 1	184
6.2.3 Research Objective 2	185
6.2.4 Research Objective 3	196
6.3 AREAS FOR FUTURE RESEARCH	201
6.4 SUMMARY OF RESEARCH STUDY	201
 BIBLIOGRAPHY	 204
 LIST OF ANNEXURES	
 ANNEXURE A: QUESTIONNAIRE	 215
ANNEXURE B: LETTER FROM THE GAUTENG MEC FOR LOCAL GOVERNMENT	227
ANNEXURE C: LETTER FROM DR S.M. ELLIS (STATISTICAL CONSULTATION SERVICES)	229
ANNEXURE D: LETTER FROM MS A. BISSCHOFF (LANGUAGE, TECHNICAL AND TYPOGRAPHIC EDITOR)	230

LIST OF FIGURES

	Page
Figure 2.1: McKinsey's 7 'S' Framework for Strategy Execution	34
Figure 2.2: The Higgins Eight (8) 'S's Framework (Aligned 8 'S's)	36
Figure 2.3: The Higgins Eight (8) 'S's Framework (non-aligned 8 'S's)	37
Figure 2.4: Brenes <i>et al.</i> 's Five Key Dimensions of Strategy Execution	39
Figure 2.5: Spence's Nine (9) Steps for Ensuring Disciplined Execution	41
Figure 2.6: Pryor <i>et al.</i> 's Five (5) 'P' Framework for Strategy Execution	44
Figure 2.7: Balanced Scorecard Frameworks for Strategy Execution	46
Figure 3.1: Integrated Development Planning Structure	65
Figure 3.2: Service Deliveries and Budget Implementation Plan (SDBIP)	71
Figure 5.1: Frequencies: Management Levels	106
Figure 5.2: Frequencies: Participating Municipalities	107
Figure 5.3: Frequency Results: Leadership and Management (Part 2)	127
Figure 6.1: Results: Strategy Execution Enablers	186
Figure 6.2: Results: Services and Customer Care	187
Figure 6.3: Results: Strategy and Planning	188
Figure 6.4: Results: Leadership and Management	190
Figure 6.5: Results: Organisation, People and Skills	191
Figure 6.6: Results: Systems and Technology	192
Figure 6.7: Results: Policies, Processes and Procedures	193
Figure 6.8: Results: Resources and Budgeting	194
Figure 6.9: Results: Performance Management	195
Figure 6.10: Integrated Operating Framework for Local Government	197

LIST OF TABLES

	Page
Table 3.1: Stakeholder Participation	64
Table 4.1: Basic Methods of Data Collection	82
Strategy Formulation	
Table 5.1: Frequencies and Descriptive Statistics	109
Table 5.2: KMO, Bartlett's Test and Determinant of Correlation Matrix	111
Table 5.3: Pattern Matrix ^a	112
Table 5.4: Factor Correlation Matrix ^a	117
Leadership and Management	
Table 5.5: Frequencies and Descriptive Statistics (Part 1)	118
Table 5.6: KMO, Bartlett's Test and Determinant of Correlation Matrix	120
Table 5.7: Pattern Matrix ^a	121
Table 5.8: Factor Correlation Matrix ^a	126
Table 5.9: Frequencies: Leadership and Management (Part 2)	127
Organisation, People and Skills	
Table 5.10: Frequencies and Descriptive Statistics	130
Table 5.11: KMO, Bartlett's Test and Determinant of Correlation Matrix	132
Table 5.12: Pattern Matrix ^a	133
Table 5.13: Factor Correlation Matrix ^a	138
Policies, Processes and Procedures	
Table 5.14: Frequencies and Descriptive Statistics	140
Table 5.15: KMO, Bartlett's Test and Determinant of Correlation Matrix	141
Table 5.16: Pattern Matrix ^a	142
Table 5.17: Factor Correlation Matrix ^a	146

	Page
Systems and Technology	
Table 5.18: Frequencies and Descriptive Statistics	148
Table 5.19: KMO, Bartlett's Test and Determinant of Correlation Matrix	149
Table 5.20: Pattern Matrix ^a	150
Table 5.21: Factor Correlation Matrix ^a	153
Resource Allocation and Budgeting	
Table 5.22: Frequencies and Descriptive Statistics	154
Table 5.23: Pattern Matrix ^a (Statement 15 Included)	157
Table 5.24: KMO, Bartlett's Test and Determinant of Correlation Matrix (excluding statement 15)	158
Table 5.25: Pattern Matrix ^a	158
Table 5.26: Factor Correlation Matrix ^a	163
Services and Customer Care	
Table 5.27: Frequencies and Descriptive Statistics	165
Table 5.28: KMO, Bartlett's Test and Determinant of Correlation Matrix	166
Table 5.29: Pattern Matrix ^a	167
Table 5.30: Factor Correlation Matrix ^a	171
Performance Management	
Table 5.31: Frequencies and Descriptive Statistics	172
Table 5.32: KMO, Bartlett's Test and Determinant of Correlation Matrix	174
Table 5.33: Pattern Matrix ^a	175
Table 5.34: Factor Correlation Matrix ^a	178

LIST OF HISTOGRAMS

Histogram 5.1: Frequencies: Highest Qualification of Participants	108
---	-----

LIST OF ACRONYMS

BPR	Business Process Re-engineering
BPWP	Batho Pele White Paper
BSC	Balanced Scorecard
CAE	Chief Audit Executive
CAPEX	Capital Expenditure
CBO	Community-based Organisation
CEO	Chief Executive Officer
CFO	Chief Financial Officer
CIO	Chief Information Officer
CoCTA	Cooperative Governance and Traditional Affairs
CRM	Customer Relations Management
GDS	Growth and Development Strategy
HOD	Head of Department
HR	Human Resources
ICT	Information, Communication and Technology
IDP	Integrated Development Plan
IMATU	Independent Municipal and Allied Trade Union
KMO	Kaiser-Meyer-Olkin
KPI	Key Performance Indicator
KSF	Key Success Factor
LGTAS	Local Government Turn-Around Strategies
LLF	Local Labour Forum
MEC	Member of the Executive
MI	Management Information
MMO	Municipal Manager's Office
MMP	Maintenance Master Plan
MPAC	Municipal Public Account Committee
MSP	Master Systems Plan

NGO	Non-governmental Organisation
NKPA	National Key Performance Area
NKPI	National Key Performance Indicator
PMO	Project Management Office
PMS	Performance Management System
PwC	PricewaterhouseCoopers
SALGA	South African Local Government Association
SAMWU	South African Municipal Workers Union
SCM	Supply Chain Management
SDBIP	Service Delivery and Budget Implementation Plan
SET	Strategic Executive Team
SOP	Standard Operating Procedure

CHAPTER 1

NATURE AND SCOPE OF THE STUDY

1.1 INTRODUCTION

The Overview Report on Local Government in South Africa (SA, 2009a:4) points out that the establishment of a new democracy has created expectations amongst all the different communities. The demand for basic essential services has increased drastically, whilst at the same time, communities are expecting and demanding an acceptable level of maintenance and services in their respective areas.

The Overview Report (SA, 2009a:4) also confirms that local government is in serious distress with regular service delivery protests, huge service delivery and infrastructure backlog challenges (e.g. housing, water and sanitation and more), poor financial management and the inability to execute approved strategies, plans and programs. The Overview Report recommended that municipalities in South Africa should develop turn-around strategies to address the current state of affairs (SA, 2009a:71-75).

The Constitution of the Republic of South Africa (SA, 1996) introduced the concept of cooperative government (Chapter 3), in terms of which tiers of government were substituted by spheres of government. The Constitution (SA, 1996) established a distinct developmental role for local government and in section 152 established the objectives for local government as:

- to provide democratic and accountable government for local communities;
- to ensure the provision of services to communities in a sustainable manner;
- to promote social and economic development;
- to promote a safe and healthy environment; and to

- encourage the involvement of communities and community organisations in matters of local government.

The Constitution (SA, 1996) in section 153 determined the developmental duties of local government as follows:

- to structure and manage its administration and budgeting and planning processes to give priority to the basic needs of the community and to promote the social and economic development of the community; and
- to participate in national and provincial development programs.

The promulgation of the Local Government Municipal Structures Act, 117 (SA, 1998a) and the Local Government Municipal Systems Act, 32 (SA, 2000a) provide the legal framework for integrated development planning, performance management, leadership and the required structures.

The Structures Act, 117 (SA, 1998a) mainly provides for the disestablishment of former racially based independent municipalities and the establishment of structures in the form of:

- metropolitan, district, and local municipalities;
- an executive mayoral system;
- a mayoral committee; and
- ward committees.

Section 56 of the Structures Act, 117 (SA, 1998a) stipulates the functions and powers of executive mayors which, *inter alia*, include the following:

- to identify the needs of the municipality;
- to develop strategies to address priority needs;

- to establish performance criteria;
- to monitor the management of the municipality; and to
- oversee the provision of services to communities.

Section 25 of the Systems Act, 32 (SA, 2000a) prescribes and stipulates the minimum requirements for developing an Integrated Development Plan (IDP). Each municipality must, within a prescribed period after the start of its elected term, adopt a single, inclusive strategic plan for the development of the municipality which:

- links, integrates and coordinates plans and takes into account proposals for the development of the municipality;
- aligns the resources and capacity of the municipality with the execution of the plan;
- forms the policy framework and general basis on which annual budgets must be based;
- complies with the provisions of this chapter; and
- is compatible with national and provincial development plans and planning requirements binding on the municipality in terms of legislation.

With regards to performance management, the Systems Act, 32 (SA, 2000a) in terms of section 38 prescribes that each municipality must establish a performance management system that:

- commensurates with its resources;
- is best suited to its circumstances;
- is in line with the priorities, objectives, indicators and targets contained in its integrated development plan;
- promotes a culture of performance management among its political structures, political office bearers and councillors and in its administration; and
- administers its affairs in an economical, effective, efficient and accountable manner.

Integrated development planning is the process through which municipalities prepare a strategic development plan which extends over a five-year period. The IDP is the principal strategic planning instrument which guides and informs all planning, budgeting, management and decision-making processes in a municipality (South African Local Government Association (SALGA), 2001:4).

The preceding pieces of legislation provide an enabling legal framework and clearly indicate the developmental role and primary objectives and developmental duties of a municipality. It furthermore, stipulates the minimum requirements for developing an Integrated Development Plan (IDP) and the establishment of a performance management system.

However, despite enabling legislation, the Overview Report (SA, 2009a:4) which was the first official report by government, confirmed the inability of municipalities to execute approved strategies, IDPs and programs. The Overview Report (SA, 2009a:5) pointed out the need to *“identify the mismatch between intent and practice”* as well as the need to assess *“the reality of poor municipal performance”* within the local government sector.

The purpose of this study is to establish what are the reasons and contributing factors causing municipalities to fail in executing their approved strategies.

1.2 RESEARCH PROBLEM

1.2.1 Background

Whilst progress has been made in recent years, there is still a pressing need amongst all communities in South Africa for improved service delivery. There is also increasing frustration and anger at the inability of municipalities to do what is expected of them. Municipalities in general have a poor track record in respect of the execution of approved strategies, IDPs and programs (SA, 2009a:4).

This is a matter of priority and national importance and, therefore, Cabinet approved on 2 December 2009 a comprehensive Local Government Turn-Around Strategy (LGTAS) for all 283 municipalities in South Africa. The LGTAS was supposed to be finalised and incorporated into the budget and IDP of each municipality by March 2010 (SA, 2009b).

Minister Shiceka, responsible for Cooperative Governance and Traditional Affairs (CoGTA), reported on 6 September 2010 that the majority (95%) of municipalities in the country complied with the Cabinet decision and developed their turn-around strategies (Shiceka, 2010). The minister unfortunately did not indicate whether the turn-around strategies were implemented and incorporated into the 2010/11 budgets and IDPs.

The inability to execute strategies is one of the main problems in local government (SA, 2009a:4) and is unfortunately still not receiving the urgent attention it requires. Execution is a discipline on its own which represents a process of interrelated activities which enables an organisation to successfully execute strategy. An organisation will, in the absence of a well formulated execution plan, not achieve the expected strategic outcomes (Hrebiniak, 2005:3).

An excellent strategy may put a municipality or business on the competitive map but only successful execution will keep it there. Organisations in general are not doing well when it comes to execution and in many instances it is due to the fact that they over-rely on organisational restructuring instead of focusing on executing the strategy (Davenport, 2007:1; Nielson *et al.*, 2008:4).

The Overview Report (SA, 2009a:4) confirms that the aforementioned are very applicable to the current state of municipalities in South Africa – there are approved strategies but no or very little attention is paid to the execution process. There is a general tendency to resort to organisational restructuring instead of focusing on the execution of approved strategies.

The high failure rate of strategy executions, as reported in the literature, calls for a better understanding of the key enablers for successful execution and its influence on the execution process. Although it is often recognised that many factors influence the degree of success in strategy execution, few studies have tried to identify exactly what these factors are, as pointed out by Heide *et al.* (2002:226) and Hrebiniak (2005:4).

It is therefore of utmost importance to investigate the state of strategy execution in South African municipalities and to develop an integrated operating framework, based on the results.

1.2.2 Problem Statement Motivation

This study will research the following problem statement: *What prevents Gauteng municipalities to successfully execute its strategies and what can be done to address the situation?*

1.3 RESEARCH OBJECTIVES

1.3.1 Research Objective 1

To review the literature and determine the key enablers required for successful strategy execution.

1.3.2 Research Objective 2

To analyse the findings of the empirical study and make recommendations of how to improve the strategy execution process within municipalities.

1.3.3 Research Objective 3

To develop an integrated operating framework for strategy execution in municipalities.

1.4 CLARIFICATION OF TERMINOLOGY

In order to master a particular field of study it is important to master the meanings, applications, definitions and interrelationships of concepts. Phenomena and issues pertaining to local government are continuously debated resulting in a specific technical meaning of words. The local government terminology used in this study requires clarification.

1.4.1 Councillor

In terms of section 1 of the Structures Act, 117 (SA, 1998a) councillor means a member of a municipal council. Councillors are elected delegates from a local community tasked with the responsibility to govern and represent a specific municipal area.

1.4.2 Municipal Council

In terms of section 1 of the Structures Act, 117 (SA, 1998a) the municipal council consists of politicians who are democratically elected by local residents. A council is responsible for representing and governing the local area.

1.4.3 Municipality

A municipality is a political subdivision which is constituted in terms of sections 151 and 152 of the Constitution (SA, 1996) and has substantial control of local affairs, including the powers to impose taxes for prescribed purposes. A municipality therefore refers to a local institution comprising elected representatives and appointed officials, which functions within a specific geographical area to provide services to its local community.

Although a municipality has a right to govern and administer on its own initiative, it is in terms of section 156(1) of the Constitution (SA, 1996) subject to constitutional provisions as well as national and provincial legislation. Regarding its obligation to provide services to communities, to promote social and economic development, to promote a safe and healthy environment, and to encourage the involvement of communities in local matters, a municipality may not in terms of section 156(3) of the Constitution (SA, 1996) enact bylaws that conflicts with national or provincial legislation.

1.4.4 Local Government

In terms of section 151 (1) of the Constitution (SA, 1996) local government refers to the local sphere of government that consists of municipalities which must be established for the whole of the territory of the Republic of South Africa.

1.4.5 Community

Chapter one (1) of the Systems Act, 32 (SA: 2000a) defines a community as a body of persons comprising:

- the residents of the municipality;
- the ratepayers of the municipality ; and
- any civic organisation, non-governmental organisation, the private sector or labour organisation which is involved in the local affairs within the municipality.

A community is a group of people living in a demarcated geographical area where their needs are identified and addressed through interdependent relationships. It implies that inhabitants identify themselves with the geographic area concerned, and with one another, and have common interests and objectives and exhibit a distinct measure of co-operation (Kotze & Van Wyk, 1986:49).

1.5 DIVISION OF THE STUDY

In pursuance of the research, the study will be divided into the following chapters:

Chapter 1: Nature and Scope of the Study

This chapter deals with the background and problem statement.

Chapter 2: Strategy Execution

This chapter will review the literature related to strategy execution.

Chapter 3: Strategy and Planning in Local Government

This chapter will deal with the legislated and regulated strategy and planning processes followed by South African municipalities.

Chapter 4: Research Methodology and Design

This chapter will discuss the research options considered and explain the research design and methodology that were utilized.

Chapter 5: Interpretation of Results

This chapter will interpret the results of the research. The data and results obtained will be discussed and analysed.

Chapter 6: Conclusions and Recommendations

This chapter will conclude the study by reporting the findings and will make recommendations and will conclude with a proposed integrated operating framework for strategy execution in local government.

1.6 CHAPTER SUMMARY

Chapter 1 reviewed the mandate and legal framework of local government. The Overview Report (SA, 2009a) established and confirmed that municipalities in general are in serious distress with regular service delivery protests, huge service delivery and infrastructure backlog challenges, poor financial management and the inability to execute approved strategies and plans (Integrated Development Plans).

The research problem was to determine what are preventing Gauteng municipalities to successfully execute its strategies and to establish what can be done to address the situation.

The research objectives are: (1) to review the literature and determine the key enablers required for successful strategy execution; (2) to analyse the findings of the empirical study and make recommendations of how to improve the strategy execution process within municipalities; and (3) to develop an integrated operating framework for strategy execution in Gauteng municipalities.

The limitations of the survey are comprehensively discussed in chapter 4.

In the next chapter, a study of the strategy execution literature which will inform the data analysis, is presented and discussed.

CHAPTER 2

STRATEGY EXECUTION

2.1 INTRODUCTION

This chapter will study the literature. The purpose of the literature study is to explain and define 'strategy execution' as a discipline; to determine the key enablers required for successful strategy execution; and to determine what operating frameworks for strategy execution exist. This will establish a normative model against which the results of the quantitative research and the reality of municipalities would be benchmarked and measured. Ultimately the gap between the norm and the reality will be addressed in a proposed solution which will be presented in the form of an integrated operating framework for municipalities.

After studying the literature it was decided to use the term 'execution' and for purposes of this study, 'execution' and 'implementation' are viewed as exactly the same.

2.2 DEFINITIONS

2.2.1 Definitions of Strategy

The word strategy originates from the Greek word "*strategos*", which means "a *general*" and is derived from words meaning "*army*" and "*lead*". Hence, "a *general*" is the leader of an army. In both the military and business, competition drives organisations to find ways to '*best defeat their rivals*' through the effective use of their available resources. Strategy represents the big picture about '*doing the right things*' whilst tactics are

focusing on '*doing things right*'. Strategy sets the *direction* in which the organisation will proceed (Ungerer *et al.*, 2002:2; Stettinius, *et al.*, 2007:2).

According to Murphy (2006:45) strategy is about asking and answering four very important questions – (1) *where* are we going to be in the future?; (2) *what* are we going to apply our resources into or against in order to get there?; (3) *how* are we going to do this?; and (4) *when* are we going to do it?

Thompson *et al.* (2005:3) define strategy as the game plan that management uses to position the company in the market, to conduct operations and to achieve organisational objectives. MacLennan (2011:10) suggests that strategy is the pattern of resource and market interactions that an organisation has with its environment in order to achieve its overall objective.

Integrated development planning is the process through which municipalities in South Africa involve its citizens in finding the best solutions to achieve effective service delivery and sustainable development. The strategy is referred to as an Integrated Development Plan (IDP) and is the instrument which guides and informs all planning, budgeting, management and decision-making processes in a municipality (SALGA, 2001:4).

Taking into consideration the aforementioned definitions, strategy can be defined as:

The business plan which determines the direction and spells out how all available resources will be utilized in an integrated manner to achieve the strategic objectives and targets of the organisation.

2.2.2 Definitions of Strategy Execution

Strategy execution is defined by various authors as follows:

- the actions required converting the strategy into success (De Flander, 2010:15);
- the successful execution of strategic decisions (Flood *et al.*, 2000:2);
- all the processes and outcomes which follow a strategic decision and when the decision is put into practice (Miller *et al.*, 2004:203);
- a systematic process of continuously following through and allocating accountability (Bossidy *et al.*, 2002:22);
- the realization of intentions (MacLennan, 2001:11);
- the sum of the activities and choices required to execute the strategy successfully (Wheelen & Hunger, 2004:192);
- the action that moves the organisation along its choice of route towards its goal, the fulfilment of its mission, the achievement of its vision and the realization of intentions (Eccles in MacLennan, 2011:11); and
- all the processes and outcomes which follow a strategic decision once authorisation has been obtained to put the decision into practice (Miller *et al.*, 2004:201).

Key words from the definitions are: “*systematic*”; “*actions*”; “*processes*”; “*successful*”; “*realisation*”; “*outcomes*”; and “*accountability*”.

Against the background of the aforementioned definitions, strategy execution could be defined as: *The systematic process of utilising all available resources through well-coordinated programs, projects and activities which will successfully achieve the intended strategic outcomes.*

2.3 STRATEGY EXECUTION

2.3.1 Background

Bossidy *et al.* (2002:19 & 21) argue that an organisation cannot deliver on its commitments or adapt well to change unless all the managers practice the discipline of execution at all levels. Execution must form part of an organisation's strategy and goals. To understand execution it is crucial to keep in mind that execution is: (1) a discipline and integral part of strategy; (2) the major job of the leader; and (3) a key element of the culture.

Frigo (2004:8) is of the view that many organisations end up rushing to execution before the overall strategy is fully developed or understood in terms of how it will contribute to the success of the organisation. Executing a strategy that may inherently be flawed poses a serious risk to the organisation.

Bossidy (2002:15) argues that the CEO's strategy is frequently cited as the reason why organisations fail to deliver on their promises. The reality is that the strategy often fails because the organisation is not capable of executing the strategy, or the leaders misjudge the challenges the organisation face, or both.

An organisation's ability to execute its strategy is more critical than the quality of the strategy itself (DeLisi, 2005:1; Hrebiniak, 2006:12). The reality is that managers in general know a lot about developing a strategy but have limited or no experience or knowledge of how to execute successfully (Hrebiniak, 2006:12; Bossidy, 2002:6; Davenport, 2007:1; Hanley, 2007:17).

Research and literature to date, specifically within the local government industry, focused primarily on planning and strategy formulation but neglected the very important execution process. Whilst strategy execution is a dismal failure in most municipalities,

very little research to date focused on strategy execution (DeLisi, 2005:1; Hrebiniak, 2005:4; Verweire & Van Den Berghe, 2004:2).

Tapscott (2002:3) is of the view that managers and their employees must apply new ways of thinking and argues that today's high performing organisations are able to bridge the strategy-execution gap due to the fact that their strategies translate to specific operational goals, their employees understand the context and purpose of their work and can readily measure how well they are performing.

Achieving what is set out in the strategy of an organisation is only possible if a disciplined execution process is followed and through the effective use of an organisation's resources and specifically its processes, technology, equipment and people (Watson, 2005:4).

Organisations that are effective in execution ensure that their employees understand what corporate resources are available and how to utilize it (Tapscott, 2002:3). Michaelson (2007:8) is of the view that the simplification of a project or an operation allows for easier alignment of people and processes which ultimately enables the organisation to execute the strategy.

The statement *"that an organisation's ability to execute its strategy is more critical than the quality of the strategy itself"* by Hrebiniak (2006:12) and DeLisi (2005:1) is only valid if the strategy is well formulated and understood by those who are tasked with the execution process. Frigo's (2004:8) argument that the execution of a flawed strategy poses a serious risk to the organisation is a very valid point. Managers in general understand how to develop a strategy but have limited experience or knowledge of how to execute it and the discipline to execute is in many instances lacking.

The simplification of the execution process is important and implies that the strategy, plans, processes, communication and the performance management are simplified –

this will undoubtedly contribute positively towards the municipality's ability to execute the strategy. The execution process starts with formulating an actionable strategy.

2.3.2 Strategy Formulation

Strategy formulation forms part and parcel of the execution process and is viewed as the first important step in the execution process. Hrebiniak (2006:12) argues that a poor or vague strategy can dramatically limit execution and good execution cannot overcome the shortcomings of a bad strategy or a poor planning effort. Frigo (2003:9) is of the view that an organisation must take the time to develop and refine an executable strategy for creating and gaining a competitive advantage. If an organisation is focussing on the wrong goals and strategic objectives it will lead to poor performance.

Strategy formulation is one of the most important activities organisations perform, yet in the majority of cases in South Africa the process is flawed and two out of three strategies are not executed, and those that get implemented lose at least one-third of its potential (Manning, 2006:67). A strategy designed with execution in mind is easier to communicate and more likely to succeed (Frigo, 2002:8). Strategy is treated in many organisations as an event instead of a continuous process. The most successful and effective organisations have a seamless and continual process of strategy and execution (Frigo, 2004:7).

Zagotta & Robinson (2002:30) argue that it is important to formulate effective strategies and many organisations believe that they have the ability to create the right strategy; however, executing it is another matter. Unfortunately, execution has too often been considered a "strategic afterthought" (Raps, 2004:53). Undoubtedly, many consider execution less "glamorous" than formulating vision and strategic content (Atkinson, 2006:1441).

Many senior managers in positions of leadership seem to believe that a well formulated strategy which is well communicated to the organisation equals implementation. In

reality many carefully drafted strategies are simply never fully and successfully implemented, due to the fact that many organisations find it difficult to bridge the “knowing-doing” gap (Beer & Eisenstat, 2000:29; Raps, 2004:53).

Strategy formulation and the execution thereof are viewed by organisations as separate parts of the strategic management process and are at the root of many failed strategies (Schaap, 2006:23; Davenport, 2007:1; Nielson *et al.*, 2008:1; Hrebiniak, 2008:1). Most strategies are formulated by the top team and are supposed to be executed by another team (Spinosa, 2008:27).

Strategy formulation and execution are interdependent and forms part and parcel of the overall planning and execution process. The transferring of knowledge and commitment to the execution process will be sacrificed if the managers responsible for execution are not involved in the planning process (Hrebiniak, 2008:1).

MacLennan (2011:27) is of the view that the potential value of strategic planning is lost due to strategies that realistically are not actionable and that leaders are reluctant to spend time and energy on execution because they view it as messy and something that junior employees should deal with. Hanley (2007:18) points out that a complex strategy reduces the chances for successful execution and those projects and programs that can easily be supported by the existing staff and infrastructure should be high priorities for execution.

Strategy execution is a discipline which forms part of strategy formulation; it is a core function of the business leader and must form a core component of an organisation's value system and business culture. No strategy should be planned without taking into account the organisation's ability to execute it (Bossidy *et al.*, 2002:21).

Hanley (2007:17) is of the view that senior management frequently argue that the strategic plan was conceptually sound but suffered from a lack of ‘*follow-through*’. Execution efforts are often derailed by a lack of management commitment, lack of

resources or an ineffective project management structure. Executing strategy, more often than not, receives less attention than strategy formulation (MacLennan, 2011:25).

Brainstorming the '*big-picture*' is perhaps more stimulating than getting down to the detail of Gantt charts and action plans - sadly, many chief executive officers (CEOs) believe that it is the job of their departmental heads and managers to figure out how to execute the approved strategy (Hanley, 2007:17). MacLennan (2011:25) argues that in many organisations strategic planning is often viewed as an intellectual skill and that execution requires hard work and persistence.

Jooste & Fourie (2009:59) established in an empirical study *that "organisations are better at formulating strategy than at executing it"*. Bossidy *et al.* (2002:6) is of the view that strategy formulation has no shortage of accumulated knowledge and literature and so much thinking has gone into the formulation of strategy that it should no longer pose an intellectual challenge.

From the aforementioned literature it is clear that strategy formulation forms the main input into the execution process of any organisation. The strategy execution process starts with the development of a credible, simplified and executable plan. The strategy must preferably be developed by the same team that would be tasked with the execution thereof. It is important that the strategy gets converted in a plan that deals with the basic details of "what", "how", "who", "when", "where" and "why".

2.3.3 Leadership and Management

Strategic leadership is widely identified as an important key driver of strategy execution. However, the lack of strategic leadership is also one of the key barriers preventing successful execution (Beer & Eisenstat, 2000:29; Hrebiniak, 2005:17).

Hitt *et al.* (2007:375) define strategic leadership as *"the leader's ability to anticipate, envision, to maintain flexibility and to empower others to create strategic change as necessary"*.

The single most important requirement for organisational success is the ownership and active involvement of the executive team (Kaplan & Norton, 2001:3; Hanley, 2007:19). Leadership must be execution biased, must drive the organisation towards successful execution and it must motivate ownership of and commitment to the execution process (Hrebiniak, 2005:25; Hitt *et al.*, 2007:53).

Bossidy *et al.* (2002:24) argue that an organisation can only execute the strategy if the leader's heart and soul are immersed in the organisation. The leader has to be engaged personally and deeply in the business. Execution requires a comprehensive understanding of a business, its people, and its environment. The leader must be in charge of getting things done by running the three core processes – picking other leaders, setting the strategic direction, and conducting operations.

Many managers are not executives, they are superiors of other people and often of a large number of people, and sadly have no impact on the ability of the organisation to perform (Drucker, 2004:6).

A key function of management is to recruit and develop talented employees fully aligned with the organisation's strategy, setting the course and empowering them as required to carry out their functions. The vision and priorities should be linked to individual and team goals. This will lead to an aligned and motivated organisation, which will be effective in execution (Brenes *et al.*, 2008:592).

Culture drives the way the organisation implements its strategy. The leader's role is to ensure that the organisational culture enables the execution of the strategy and if it does not, an aligned culture must be built. Once leaders have defined the strategy, they must set their people up for success by ensuring that the culture supports the required behaviours and actions. This is achieved by reviewing current social norms and rituals. If one thing is changed, it does not change the organisation. Leaders must examine the day-to-day activities of the organisation to ensure it drives strategy execution (Bossidy *et al.*, 2002:30; Heide *et al.*, 2002:219; Coughlin, 2005:1; Hrebiniak, 2005:25; Speculand, 2009:72-73; Kumar, 2010:323;).

Pearce & Robinson (2011:326) argue that leaders must lead on two fronts: (1) they must embrace change by clarifying the strategic direction, build the organisation and shape the culture to fit the challenges and opportunities offered by change; and (2) they must provide the management skill to cope with the implications of constant change.

Middle managers play a crucial role in the successful execution of an organisation's strategy and should be consulted when strategies and plans are formulated. Without the support and buy-in of the middle management the organisation will battle to execute the strategy successfully. It is important that middle managers "are treated like VIPs" and acknowledged when they contribute towards the success of the organisation (Antunes *et al.*, 2010:116-120).

Speculand (2009:10-11) is of the view that leaders should focus on five (5) roles as to ensure successful execution of the strategy: (1) focus on both crafting and implementing strategy; (2) create the right conditions; (3) identify what needs to be done; (4) adapt and amend the strategy; and (5) create an implementation plan.

Schaap (2006:16) stated that according to a study more than 40% of senior managers and 90% of the employees indicated that they do not have a clear understanding of their organisation's strategy. Poor communication is one of the main reasons why execution has failed in organisations. Strategy is normally designed at the top, but executed from the bottom.

A strategy that is clear and effectively communicated will not add significant value unless everybody in the organisation understand how their actions are strategically aligned and contribute to the strategy execution process. In many cases, strategies are defined at the top of an organisation, with no clear cascading of responsibilities for the tactical specifics necessary to achieve results. High-level strategies must be broken down into specific sub-objectives, which can be owned and executed at every level (Hitachi Consulting, 2009:4).

When communicating the strategy and its execution, leaders must be visible throughout the organisation and find as many ways as possible to repeat the core messages. When leaders become the voice of the strategy, it demonstrates to the entire organisation not

only the importance of the strategy but also the focus and commitment of the leadership on its implementation (Heide *et al.*, 2002:218; Speculand, 2009:42-43).

Even when the strategy is clearly formulated and defined, it is not always effectively communicated. The study by Jooste & Fourie (2009:65) found that a lack of understanding and poor communication of the strategy to the workforce is the most important barriers to effective execution. The creation of a common strategy language and communicating it at every level of the organisation are almost as important as formulating the strategy itself (Hitachi Consulting, 2009:3).

Speculand (2009: 54-55) argues that executing strategy successfully means changing the conversations in the organisation. It is estimated that in a weekly management meeting, the team spends 85 percent of its time discussing operations and only 15 percent on strategy and implementation. To be successful in strategy execution this situation must be reversed.

Kaplan & Norton (2001:319; 2006a: 2; 2007:156 & 160) are of the view that the leadership in the organisation must ensure that meetings deal with the important matters defined in the strategy. The role of effective meetings must not be underestimated as an important element in the successful achievement of the organisation's strategy. Meetings must be seen as open and team-based learning processes.

It is evident from the literature that leaders must be engaged and should lead the execution process from the front. The effective and simplified communication of the strategy is as important as the strategy itself. Managers should be "executors" instead of supervisors and should create a culture of sticking to due dates. Management meetings should primarily be used to track and monitor the progress of the execution process and the responsibilities of the role-players must be clear and well understood.

2.3.4 Organisation, People and Skills

The formal organisational structure, including the control systems, is an important factor in strategy execution. The structure can be defined as the relationship between tasks, individuals, and formal and informal channels. The structure affects execution indirectly

through its influence on information, control and decision processes (Heide *et al.*, 2002:219; Crittenden & Crittenden, 2008:302-303).

Getting things done in many organisations feels like walking in quicksand; there are too many meetings, too many reports, too much information and too many stakeholders. Business processes are not effective and decisions are delayed or unclear. Organisational complexity is out of control and hampers execution (Ashkenas, 2010:1).

Nielson *et al.* (2008:1) argue that a brilliant strategy will put the organisation on the competitive map but only effective execution will keep it there. Most organisations battle with execution and unfortunately over rely on structural changes because moving lines on the organisational chart seems obvious and changes are visible to address and enhance the organisation's ability to execute its strategy. Structural change produces only short-term gains and does not deal with the root causes of the inefficiencies being how people make decisions and are held accountable; and ensuring that information is available where it is required.

Hrebiniak (2005:25) is of the opinion that managers must know who is doing what, when, and why, as well as who's accountable for the key steps in the execution process. Without clear responsibility and accountability, strategy execution will not succeed.

Antunes *et al.* (2010:79) are of the view that there is no such thing as a perfect organisation and MacLennan (2011:161) is of the view that in most large organisations, structure changes are common when performance is suffering and specifically after the arrival of new leaders. There seems to be a common assumption that structural changes can improve organisational performance. Organisations and departments seem to bounce between one structural model to another over the years, never really finding out how to make it work but causing a great deal of turmoil with every change.

Ashkenas (2010:38) is of the view that the organisation and its processes should be designed from the customer's perspective as to ensure that it is easy to do business with the organisation.

Pearce & Robinson (2011:310) point out that restructuring can be defined as the redesigning of an organisational structure with the intent of emphasizing and enabling activities most critical to the organisation's strategy and enabling it to function at maximum effectiveness. At the heart of restructuring is the view that some activities within an organisation's value chain are more critical to the successful execution of the strategy than others. Organisations are successful in part because they designed the structure to emphasise and support critical strategic activities.

The size and complexity of large organisations force managers to formulate a well thought through strategy; the conceptual framework assists them to consider resource and market interactions. Well defined business processes assist structures to work. Successful organisations serve more customers, employ more people and produce more products and services and they expand their environments by introducing new products, expanding into new geographic areas, and using new channels (MacLennan, 2011:15).

Hanley (2007:17) argues that it is important to establish a project management office (PMO) with a senior manager in charge to ensure consistency, to track resource allocation, assess progress and to communicate execution updates on a regular basis. The PMO manager is also responsible to standardize planning and reporting templates.

People are the process owners (individuals and teams) and are accountable to customers and suppliers for the processes they own and should be empowered to effectively improve and amend these processes if the need arises (Pryor *et al.*, 2007:12-13). Michlitsch (2000:28) is of the view that strategy execution is best achieved through high-performing people.

Kaplan & Norton (2001:3; 2006a:2 & 3; 2007:151) point out that strategy execution requires all business divisions, support units and employees to be aligned and linked to the strategy. Most organisations and its managers are guilty of 'silo-based' thinking and mal-coordination and conflict. Projects are an effective mechanism for overcoming the organisational constraints and have the ability to be run across structural boundaries,

bringing together expertise and resources from many disciplines and subunits. Project management is crucial to ensure that critical activities happen (MacLennan, 2011:154).

The launch of a new strategy requires staff members to do things differently. The leader is responsible to identify new skills, knowledge, or attitudes that staff members may need to successfully execute the strategy. In many organisations where execution failed, a common pattern was followed by running a generic organisation-wide training program. The leader must identify specific training requirements and reinforce the training once it has been delivered (Speculand, 2009:31).

Capabilities are important to strategy execution in that the knowledge, skills, and competencies of individuals are vital underpinnings to all organisational actions, strengths, and performance. The ability to take decisions and deliver the right activities in the right way affects everything (MacLennan, 2011:194; Coughlin, 2005:4 & 7). In order to execute a strategy, managers and employees must not only be aware of its existence but must also have the necessary knowledge and skills to execute it.

Sheehan (2010:25) is of the view that one of the key lessons from the recent recession is that organisations that take on risk without being adequately prepared for these risks will suffer poor performance, and in the worst case become insolvent. If organisations are to survive, and even thrive, in a post-recession world, they must adopt a risk-based approach to the execution of their strategies. The primary benefit of a risk-based approach to strategy execution is that it allows managers to focus on the opportunities outlined in their organisation's strategic plans, while at the same time minimize the potential impact of risks and threats.

It can be concluded that an operating model with well aligned business processes is crucial for the strategy execution process. Organisational restructuring will not automatically lead to improved performance and is not a quick solution. People with the right skills, capabilities and attitude towards execution are key. Even when an organisational structure is not perfect and it is staffed with capable people it will perform and deliver what is expected.

Policies, Processes, Technology and Systems

Policies are directives designed to guide the thinking, decisions, and actions of managers and their subordinates in implementing the organisation's strategy. Policies increase managerial effectiveness by standardizing routine decisions and clarifying the discretion managers and subordinates can exercise in executing functional activities (Pearce & Robinson, 2011:276).

Pearce & Robinson (2011:276-277) argue that policies empower people to act and are designed to control decisions while defining allowable discretion within which operational staff can execute business activities by: (1) defining discretion – it controls decisions but empower employees to perform activities without the involvement of top management; (2) promoting the uniform processing of similar activities; (3) ensuring quicker decisions by standardizing answers to previously asked questions; (4) institutionalizing basic aspects of the organisation's behaviour; (5) reducing uncertainty in repetitive decision-making; (6) counter acting resistance to the chosen strategy of the organisation; (7) offering predetermined answers to routine problems; and (8) provides managers with a mechanism to take the right decisions in changing operations.

It is estimated that one-third of a typical process is non-value-adding and one of the key reasons why even great strategies fail to be executed. Processes and systems (technology) are not changed to support the strategy and as a result staff members are expected to work with processes that are more troublesome than helpful and systems that are too slow. Process re-engineering has the potential to dramatically improve the bottom-line as well as driving the execution process (Speculand, 2009:83-84). Control systems, in combination with incentive systems, are important for staff motivation and to ensure appropriate behaviour in relation to the execution process (Heide *et al.*, 2002:219).

Sound execution provides a competitive advantage and firms will try to benchmark successful execution. It would however be difficult if execution involves a series of integrated activities, systems, technology and processes (Hrebiniak, 2005:8).

Technology and systems (42%), organisational culture (56%) and organisational structure (42%) are the most important reasons an organisation cannot adjust to changes quickly enough. Technology and systems support adaptability and therefore acts as a crucial role for the execution of strategies. Even after more than three decades of research in strategic management and information systems, strategy execution is still not fully understood (Bartenschlager, 2011:1).

Kaplan & Norton (2001:3; 2006a:13; 2007:151 & 154) point out that an organisation requires processes and systems that will assist in the effective execution of strategy. Pryor *et al.* (2007:11) argue that the process owners (the employees of an organisation) must analyse constraints, hierarchical considerations, and environmental impacts that may affect how the process model is applied and the process flows throughout the organisation.

A business process is a series of related activities that is repeatedly undertaken to generate a specific output and in an organisational context such outputs could include finished products or services. All organisations use processes which are formed when sequences of activities are repeated to create something. That is not to say that all processes are the right ones or are performed effectively and efficiently. Effective processes are important for strategy execution because critical activities are on-going and must be performed repeatedly (Kumar, 2010:319; MacLennan, 2011:158).

MacLennan (2011:160) argues further that it is preferable to take an integrated approach to the development of processes and that unnecessary organisational complexity is the enemy of strategy execution. Isolated and perpetual adding and changing business processes usually adds to this complexity.

Pearce & Robinson (2011:310) is of the view that the purpose of business process re-engineering (BPR) is to take decision-making closer to the customer, in order to make the organisation more responsive to the needs of the customer. BPR reduces fragmentation by crossing traditional departmental lines and to speed up and compress formerly separate steps and activities that are strategically intertwined in the process of meeting customer needs.

If business processes are not well documented, it is difficult to manage and improve (or even replicate) it. Therefore, organisational leaders should ensure that all processes are adequately recorded by checklists, process maps, or process flowcharts. Accordingly, streamlined processes that are well documented and principles that are well communicated can drive behaviour that is necessary to achieve performance excellence (Pryor *et al.*, 2007:11).

Managers and executives are increasingly using technology in the form of dashboards to monitor strategy execution by focussing on specific and measurable outcomes. A dashboard is a user interface that organises and presents information from multiple digital sources simultaneously in a user-designed format on the computer screen. Strategic controls and control programs bring the entire management task into focus. Organisational leaders can adjust or radically change their organisation's strategy based on feedback from a scorecard approach as well as other strategic controls (Pearce & Robinson, 2011:365).

It is evident from the literature that policies are important and should be developed with the intention of supporting, streamlining and simplifying the operations of the organisation. The business processes and procedures should be aligned to the organisation's policies and must regularly be reviewed as to ensure that improved performance and services to customers are achieved. Systems and technology should enhance customer processes, turn-around time and provide relevant, accurate and timely management information in the form of performance dashboards.

2.3.5 Performance Management

A major obstacle on the road to strategic execution is the inability to accurately measure actual strategic performance. Many organisations focus their measurement efforts on lagging financial outcomes (lag indicators) instead of key drivers of performance (leading indicators). Intangible assets in many instances are typically undervalued or not measured at all (Hitachi Consulting, 2009:4).

In many organisations, individual and group incentives are based on a subjective evaluation of performance against goals that may or may not be aligned with the overall

strategy. It is estimated that only 25 percent of managers' personal objectives are linked to the organisation's strategy. If personal and group targets and incentives are not aligned with the strategy, achieving the desired performance is nearly impossible (Hitachi Consulting, 2009:8).

Speculand (2009:62-63) is of the view that when leaders launch a new strategy they must create new measures to track the new strategy and stop using the measures that track old strategies. Too many organisations are dependent on financial measures and must develop measures that reflect both tangible and intangible activities. A performance scorecard allows leaders to translate the strategy into objectives, measures, and actions.

Performance measurement is a very important but complex area to manage. To calibrate and shape the performance of activities and outcomes accurately has many advantages and risks. Managing performance is central to strategy execution. Performance at the individual and team level (even for non-critical activities) is equally important to strategy execution (MacLennan, 2011:136 & 180).

Performance measures and indicators should not be complex but should be relevant, well aligned with the relevant strategic initiatives and designed to assist the process owners to understand how the process works and where improvements are needed. According Pryor *et al.* (2007:7), measurement is important because it informs staff of how well they are doing and how the company is performing at designing and executing changes and achieving the goals and objectives in terms of set key performance indicators (KPI).

Khadem (2008:34) is of the view that most organisations have compensation systems that evolved over time and that some employees earn more money than others because they have been with the company a long time, or because they have good relations with the decision-makers. To improve the organisation's ability to execute its strategy, it is important to change the criteria to be aligned to the contribution an individual makes. Contribution is defined as the results produced by that individual in his or her critical

tasks or initiatives towards achieving the strategy. A radical change, however, is not practical in many organisations and gradual change may be advisable and can begin by aligning bonuses with contribution. Over time, salaries could also be aligned.

It is critical to identify and develop KPIs and strategic objectives that are fully aligned with the organisation's strategy. The formulated KPIs, objectives and targets should be reviewed whenever the strategy is reviewed. The Performance Management System (PMS) should be simplified, understood and clearly communicated to all relevant role-players.

2.3.7 Resources and Budgeting

Higgins (2005:4) argues that an organisation cannot successfully execute its strategy without the alignment of additional resources such as money, information, technology, and the time required of top management and others in the organisation.

The allocation of adequate resources is an important element in the successful execution of the strategy. The allocation of human resources is as important as the operational and capital budgets (Heide *et al.*, 2002:218-219).

Kaplan & Norton (2001:294) point out that an operational budget reflects incremental improvement to the existing operations whilst the strategic budget deals with the projects and initiatives required closing the planning gap between desired breakthrough performance and business as usual. The strategic budget identifies what new operations are required; what new capabilities must be created; what new products and services must be launched; what new customers, markets, applications, and regions must be served; and what new alliances and joint ventures must be established.

Many organisations fail in strategy implementation because the necessary human capital and financial resources are not provided for in the budget. As a consequence, projects and initiatives get implemented on the cheap, trying to steal time from already busy people. This causes many strategies to fail due to inadequate staffing and financial support. Strategy-focused organisations build human and financial resource

commitments for strategic initiatives into their organisational plans and budgets (Kaplan & Norton, 2001:292; Kaplan & Norton, 2006b:3).

MacLennan (2011:155) is of the view that organisations must ensure that problems and opportunities that have not been properly assessed do not become projects – consuming time, money, and other resources – without reasonable confidence that these are valid means of achieving strategic objectives. Not all organisations are effective at enabling projects, often failing to timely resource them.

Resources are used to undertake activities and produce outputs and may include people, finances, materials, equipment, information, intellectual property, and other legal rights. Municipal services cannot effectively be rendered without some level of resources. Even the most automated processes must be developed, supervised, and maintained (MacLennan, 2011:165).

An operational budget that enables and resource the execution of projects and activities is crucial. A strategic budget with the objective of reviewing and improving the operating model, systems and business processes is as important and key to the execution process. Resource allocation could include time, funding, people, skilling, equipment and infrastructure.

2.3.8 Services and Customer Care

Olson *et al.* (2005:50-51) are of the view that a customer-centric organisation should: (1) pursue competitive advantage by placing the highest priority on the creation and maintenance of customer value; (2) engage in the organisation-wide development of and responsiveness to information, focusing on the expressed and unexpressed needs of current and potential customers; (3) be well positioned to anticipate customer needs and respond through the development of new customer value-focused capabilities and the addition of valuable products and services; and (4) have a competitive advantage in both the speed and effectiveness of their adaptability to opportunities and threats.

Pearce & Robinson (2011:276) make the point that meeting customer needs is a buzzword regularly cited as a key priority by most business organisations. The

effectiveness of organisations in meeting their customer needs often fail because the front line are not empowered to make decisions or act to fulfil customer needs. It is important to empower operating staff to make decisions and to use discretion at their level.

The customer perspective is the heart of the strategy and defines how growth will be achieved. The value proposition defines the strategy needed to compete for new customers or increase the share of the existing customers. The customer perspective must be well defined and forms a crucial element in developing a strategy map. Deciding which target group of customers, varieties, and needs the organisation should serve is fundamental in developing a strategy (Kaplan & Norton, 2001:97). The organisation exists because of the customers and should be kept at the centre of all actions (De Flander, 2010:113).

It is important to ask the question - how satisfied are our customers? A customer satisfaction perspective would typically cover measures such as defect levels, on-time delivery and responses, warranty support and product development deriving from direct customer input and are linked to specific organisational activities (Pearce & Robinson, 2011:365).

It is important to understand who the customers are and what they expect. The organisation must be customer-centric in terms of how it operates and how it interacts with the customers. Customer satisfaction should be the ultimate goal - this is as important as the financial success of the municipality.

2.4 STRATEGY EXECUTION FRAMEWORKS

In this section the strategy execution barriers/enablers and seven (7) frameworks for strategy execution will be discussed and reviewed. These frameworks mainly specify the enablers/factors/components which can be utilized to manage and ensure the successful execution of a strategy.

2.4.1 McKinsey's Seven (7) 'S' Framework for Strategy Execution

While frameworks of organisational effectiveness go in and out of fashion, one that has persisted and is still used today is the McKinsey 7 'S' framework. The framework was developed in 1980 by Tom Peters and Robert Waterman, two consultants working at the McKinsey & Company consulting firm. The basic premise of the model is that there are seven (7) internal aspects of an organisation that need to be aligned if it is to be successful. Waterman *et al.* (1980:18) demonstrated the interconnectedness of these seven (7) elements (Kaplan & Norton, 2006b: 4).

The McKinsey framework allows for questions to be asked concerning where the organisation is in terms of each element. Adjustments and realignment can then be effected before the implementation process starts. Waterman *et al.* argued that this improved the chances of success. The McKinsey 7 'S' framework is still to date extensively on a global basis used by managers and consultants and is considered as one of the cornerstones of strategy execution and organisational analysis (Srivastava, 2005:57; Pugh & Hickson, 2007:168-172; McKinsey 7 'S' Framework: Google blogs, 2013).

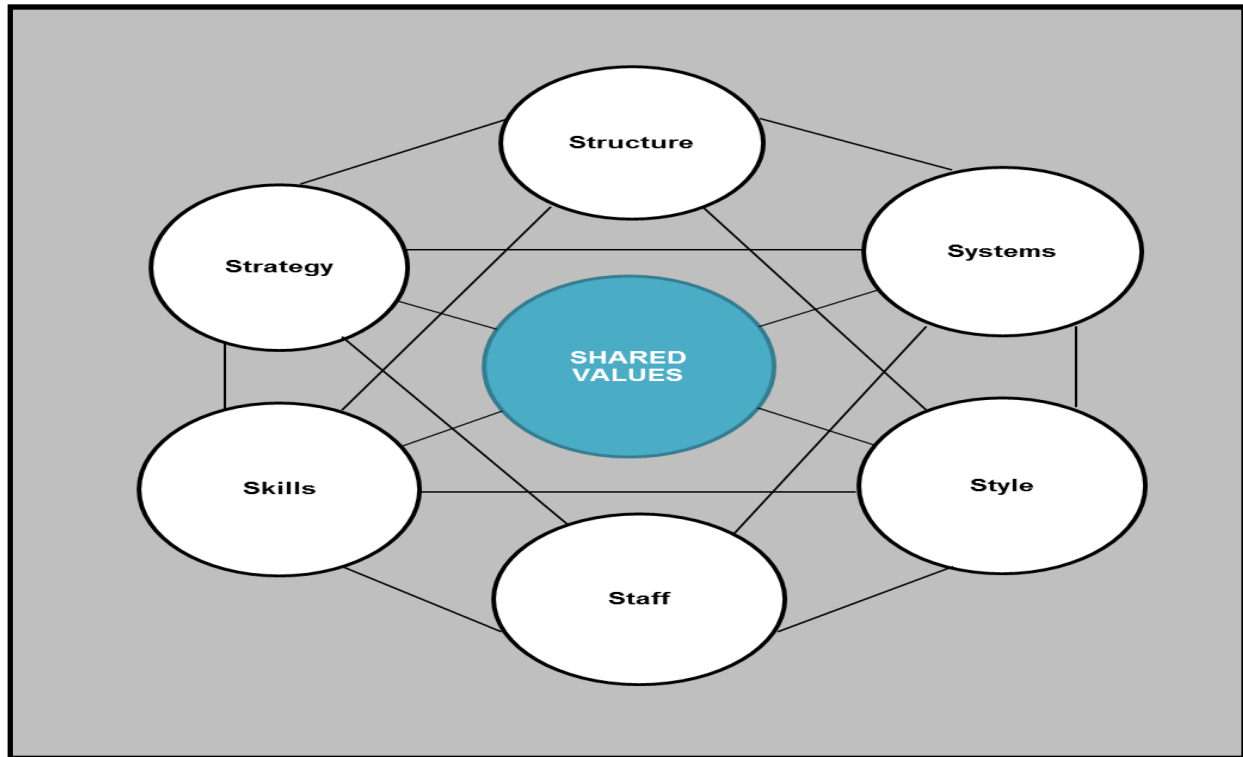
Waterman *et al.* (1980:14) argue that all managers and consultants know that the process of organising is much more than charts, boxes, dotted lines and position descriptions, but all too often this is forgotten and when change is required, the structure gets changed.

The 7 'S' framework illustrates the multiplicity interconnectedness of the seven (7) elements that define an organisation's ability to change and perform. The theory assisted to change managers' thinking about how companies could be improved. An organisation's success depends on much more than the '*structure follows strategy*' principle. The McKinsey 7 framework offers a sound approach to link and combine all the essential enablers to help strengthen the organisation:

- Strategy. Strategies are formulated to achieve the organisational purposes which include strategic intent, vision, focus, mission, goals, and strategic objectives (Waterman *et al.*, 1980:20).
- Structure. The organisation's structure comprises five components (1) jobs and the authority to perform the job; (2) the grouping of jobs into divisions or departments; (3) the span of control; (4) the mechanisms of coordination; and (5) the operating model, policies and procedures (Waterman *et al.*, 1980:19).
- Shared Values. The values shared by the staff of the organisation that differentiates the organisation from others. The shared values are the core of the 7-S framework because it defines the core themes around which an organisation rallies and that drive the corporate culture (Waterman *et al.*, 1980:24).

Figure 2.1 follows on next page

Figure 2.1: McKinsey's 7-S Framework for Strategy Execution



Source: Waterman *et al.* (1980:18)

- Staffing. The number and types of employees and individual and group competencies required by the organisation to execute its strategy successfully (Waterman *et al.*, 1980:23).
- Systems. The systems and processes required by an organisation to execute its strategy on a daily basis – for example, information systems, capital budgeting systems, reward systems, performance management system, and more (Waterman *et al.*, 1980:21).
- Skills. The required organisational skills, capabilities and distinctive competence required to ensure successful strategy execution (Waterman *et al.*, 1980:24).

- Style. How top management allocate their time and attention, symbolic actions, their leadership skills, the way the management team is perceived by the rest of the organisation (Waterman *et al.*, 1980:21).

The virtue of the McKinsey 7 'S' framework is that it draws attention to important organisational interconnections and why these interconnections are relevant in trying to effect change. The 7 'S' framework is a simple way to illustrate that the job of executing strategy is one of creating fits and harmonizing the seven (7) S's (Waterman *et al.* (1980:1).

The relevancy of the McKinsey 7 'S' framework is further re-enforced and confirmed by the Eight (8) 'S' framework developed by Higgins and will be the next framework to be reviewed.

2.4.2 The Higgins Eight (8) 'S' Framework for Strategy Execution

The 8 'S' strategy execution framework developed by Higgins (2005), is primarily based on the McKinsey Seven 'S' s Framework, first introduced in 1980 by Thomas J. Peters & Robert H. Waterman, Jr. as discussed above.

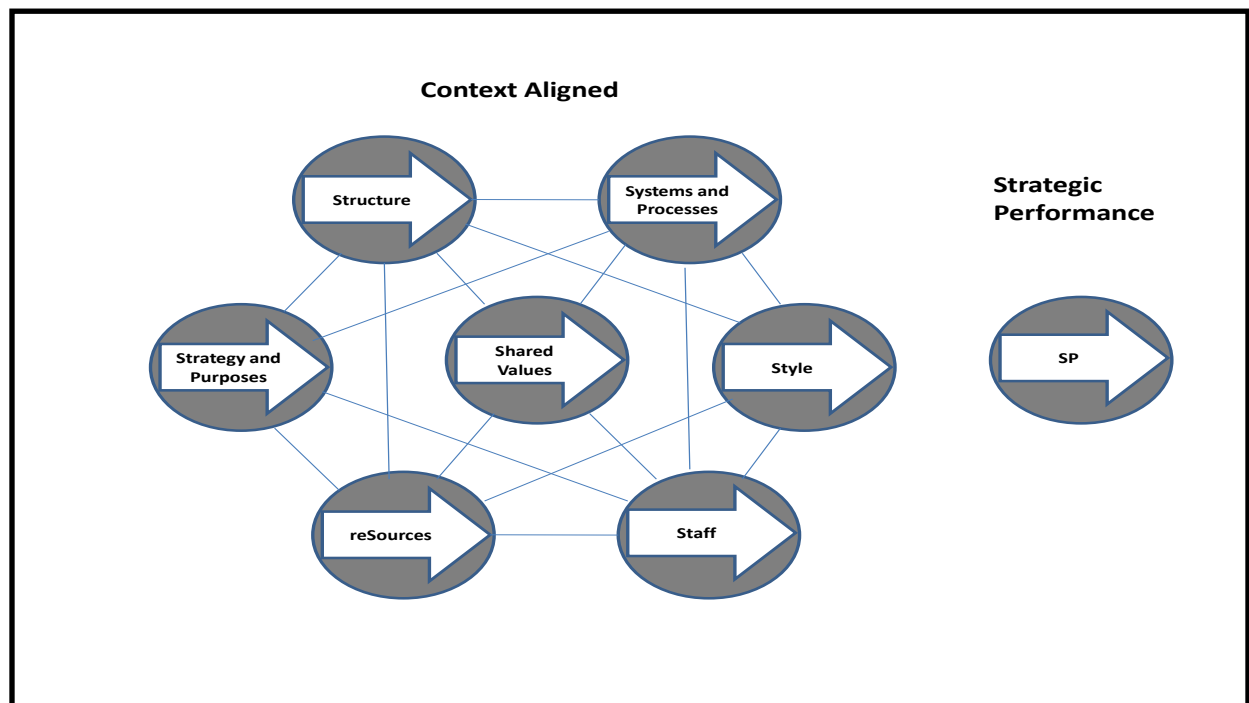
Higgins (2005:4-6) retained six (6) components of the original McKinsey Framework which are (1) "*Strategy and Purpose*", (2) "*Structure*", (3) "*Systems and Processes*", (4) "*Style*", (5) "*Staff*", and (6) "*Shared Values*".

The original "*Skills*" component was converted into (7) "*reSources*". Higgins (2005:4) is of the view that successful strategy execution is not possible without the allocation and utilization of resources ("*reSources*") such as money, technology, information and the time required from top management and other role-players in the organisation. The 8th 'S', "*Strategic Performance*" was added to provide focus and closure to the execution process and could be used.

The underlying principle of the '8's Strategy Execution Framework is that different strategies require different systems, shared values, structures, staffing and resources to ensure success (Higgins, 2005:5).

The seven (7) contextual 'S's should all be aligned and point in the same direction as to achieve "*Strategic Performance*" as explained by figure 2.2 (Higgins, 2005:6).

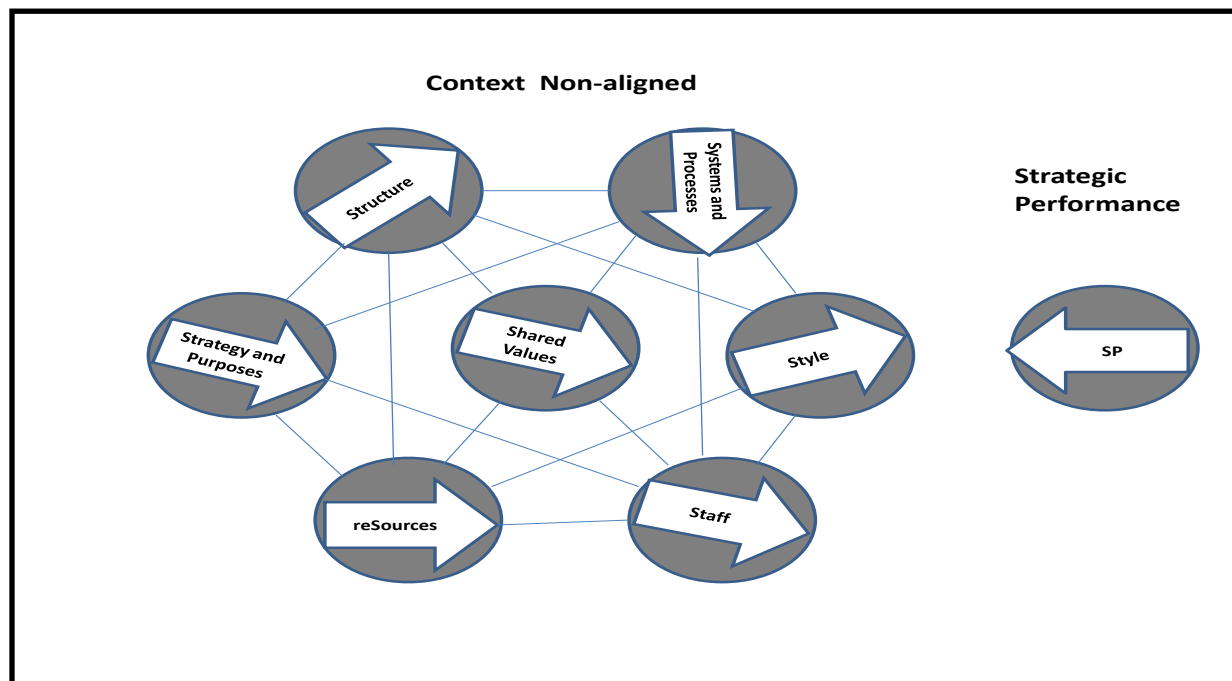
Figure 2.2: The Higgins 8 'S' Framework (Aligned 8 'S's)



Source: Higgins (2005:6)

The reality, however, is that most organisations find themselves in a situation similar to figure 2.3 where the eight 'S's are not aligned and where the arrows point in different directions (Higgins, 2005:6).

Figure 2.3: The Higgins 8 'S' Framework (Non-aligned 8 'S's)



Source: Higgins (2005:6)

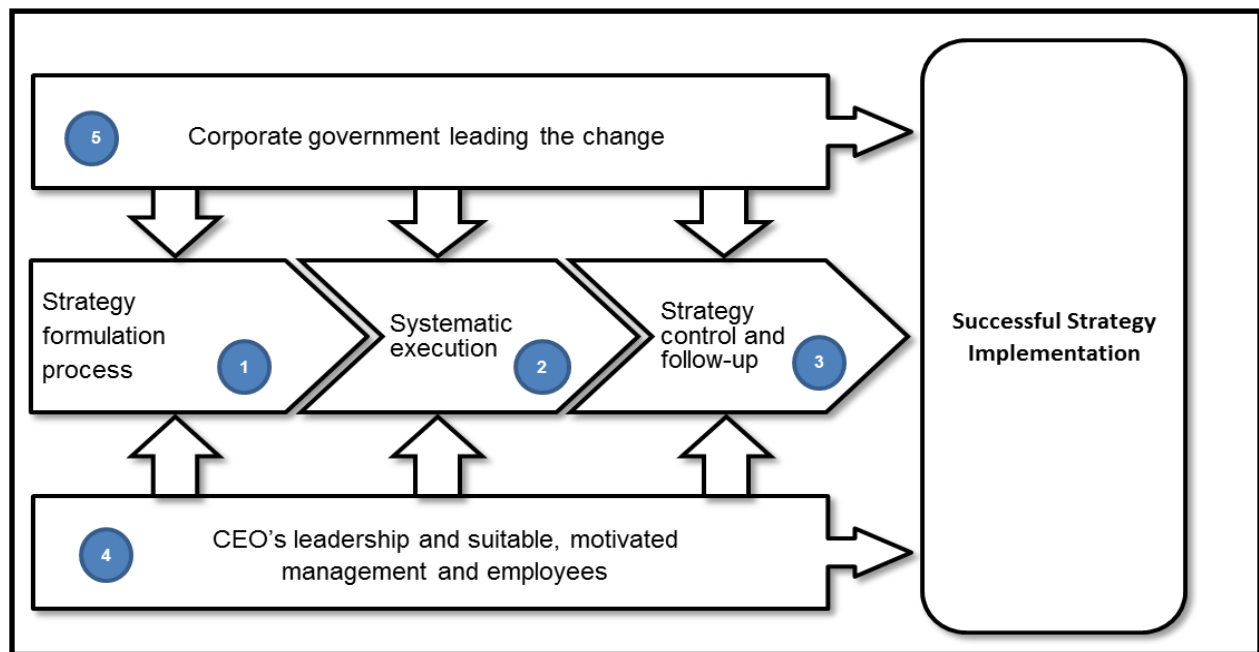
The Higgins framework is primarily based on the McKinsey 7 'S' framework. This reaffirms the fact that the McKinsey framework is still very relevant. Higgins added value to the McKinsey framework by adding the very important component of resource allocation and utilization ("*resources*"). The Higgins framework also added "*strategic performance*" which ensures focus and an outcome based approach to the strategy execution process. In the case of municipalities "*strategic performance*" will be measured in terms of customer (community) satisfaction, effective service delivery and financial success. Higgins' alignment of the various components is an important element that was added to the execution process.

2.4.3 Brenes *et al.*'s F Framework for Strategy Execution

Brenes *et al.* (2008:591) identified five (5) key dimensions required for successful strategy execution; these include the strategy formulation process, systematic execution, implementation control and follow-up, the CEO's leadership and suitable, motivated management and employees, and finally, corporate governance (board and shareholders) leading the change.

- Strategy Formulation. This dimension of the framework has to do with the mechanisms and process used by the organisation to formulate the strategy. The *first* element of the process deals with the extent to which the strategy formulating process was developed, and whether or not the environment, the industry, and the competitors have been surveyed in an extensive, systematic, and analytic manner. The *second* element deals with the degree of internal stakeholder involvement. The contribution of the stakeholders in formulating the strategy is important but even more important is their commitment and buy-in to the vision and strategy of the organisation. *Thirdly*, the strategy formulation process should be catalysed by the presence of advisors external to the firm. Rather than just making recommendations, they should play the role of facilitators, which is central in diagnostic processes aimed at formulating the business strategy (Brenes *et al.*, 2008:591).
- Systematic Execution. This relates to the actions taken by the firm while executing its strategy. A key factor to consider is the degree to which the organisation has established a prioritisation system for each action to be implemented. Other elements of this dimension include organisational structure and culture, work and information systems, and essential business processes. The key question here is whether or not these factors are aligned to the new strategy or whether they have been adjusted to that end. The final element in the systematic execution dimension is effective delegation for decision-making powers to individuals who are responsible for executing the various strategic actions required (Brenes *et al.*, 2008:591-592).

Figure 2.4: Brenes *et al.*'s Five Key Dimensions of Strategy Execution



Source: Brenes *et al.* (2008:591)

- Execution Control and Follow-up. The dimension of the framework considers the components the firm has created to regularly evaluate and control the strategy execution progress. These components comprise performance appraisal systems, monitoring tools, and a culture of top management periodic control and follow-up. Feedback on performance and continuous comparisons of performance against the original plan complete the performance chain. Organisations' continuous monitoring of their business environment must allow them to anticipate trends and/or strategy adjustments required, rather than reacting to constant pressure either from threats or opportunities (Brenes *et al.*, 2008:592).

- CEO's Leadership and Suitable, Motivated Management and Employees. This dimension is also central in attaining success. The execution becomes very complex in the absence of the CEO's commitment, communication, and leadership in effective execution. Both managers and employees are responsible for executing the

strategy. Communicating the strategy effectively and positive motivation leads to effectiveness in strategy execution (Brenes *et al.*, 2008:592).

- *The Corporate Governance Leading the Change.* The fifth key dimension relates to a corporate governance system that is fully committed and in support of strategic change, to a point of driving and leading it. Significant investment will be required to support the many actions needed to shape the organisation's future and the stockholders must be ready and committed to support management in this process (Brenes *et al.*, 2008:592).

The board of directors and their contribution to successful company growth is important and those boards of companies that succeed in executing strategy are characterized by playing their role and operating effectively. Good practices of these boards include setting clearly-defined functions, formal participation in discussing the strategic plan and analysing strategic topics, systematically monitoring compliance with these agreements, rewarding directors in line with their responsibilities while establishing appropriate evaluation mechanisms and integrating professionals external to the firm bringing in impartial views as a function of a clear strategy (Brenes *et al.*, 2008:592).

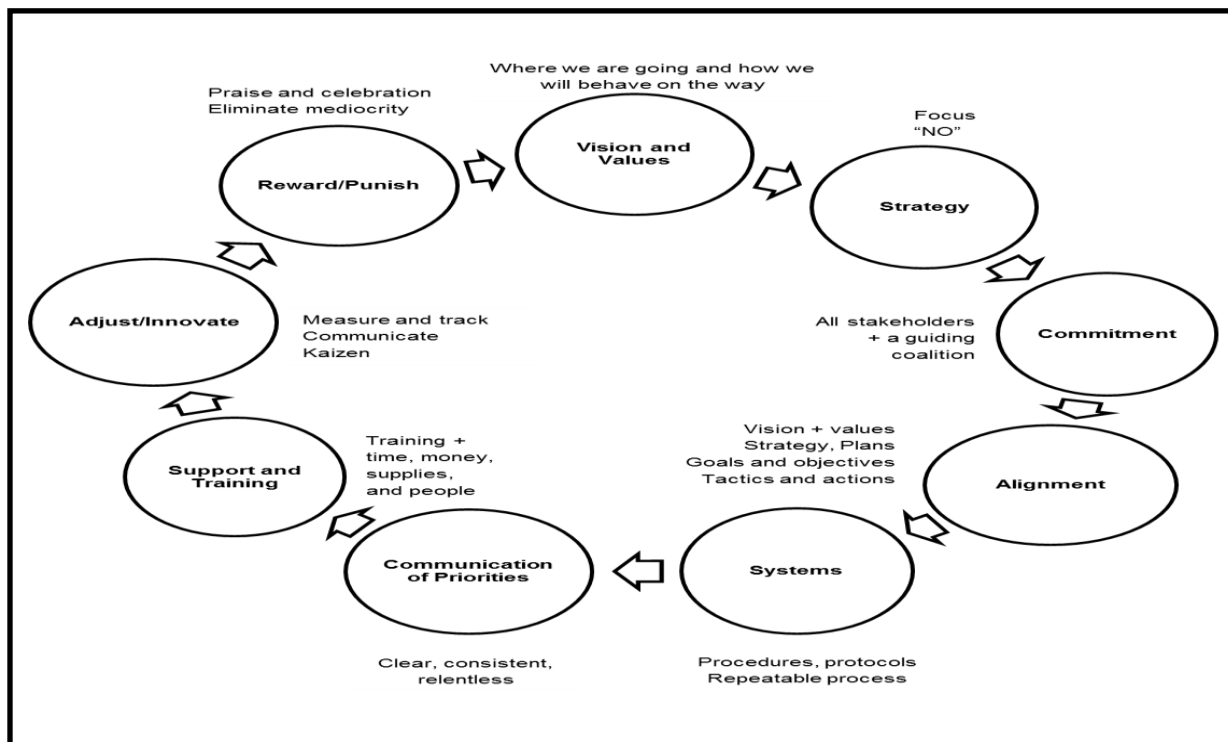
The Brenes *et al.* framework focuses primarily on the important strategy execution processes whilst the other frameworks focus primarily on the enablers/factors/elements required for successful strategy execution. The framework, however, re-affirmed the importance of strategy formulation as well as leadership and management.

2.4.4 Spence's Framework for Strategy Execution

The Spence Framework identified a nine (9) step process to ensure successful strategy execution (Spence, 2009:132).

- **Vision and Values.** The first step in creating an organisation that is superb at execution is by clearly communicating (actually over communicating) the vision and the values of the organisation and strongly emphasizing that only through effective execution can the vision be achieved (Spence, 2009:132).
- **Strategy.** It is important to create a culture of disciplined execution by keeping the entire organisation focused on the vision and key focus areas that drive the success of the business. It is extremely important to remember that not everything can be a priority and to ensure success the organisation should focus intensely on the few focus areas that will yield the highest possible return (Spence, 2009:133).

Figure 2.5: Spence's Nine (9) Steps for Ensuring Disciplined Execution



Source: Spence (2009:133)

- **Commitment.** It is essential that all key stakeholders are fully committed to the effort and have a strong sense of urgency for executing on critical priorities; this will create an organisation that is agile, adaptable and successful (Spence, 2009:134).

- Alignment. In this step it is important to ensure that the execution process is fully aligned with all other organisational plans, goals, and actions. Spence (2009:135) points out that an entire organisation can implode when (typically through poor communications) departments were competing against each other and operate in silos in an effort to execute mutually exclusive objectives.
- Systems. Consistently superior results come from systems and processes that have identified all the steps necessary to produce excellence and an organisational culture that embraces the concept of superior results as a competitive advantage (Spence, 2009:137-138).
- Communication of Priorities. Once a focused strategy has been developed and the support and commitment of the key stakeholders are secured, it is essential to relentlessly communicate to the entire organisation on why it is critical to stay focused on executing the strategy (Spence, 2009:138).
- Support and Training. People need lots of training and support to learn new skills and accomplish challenging tasks. Spence (2009:139) is of the view that the strategic initiatives may completely fail if the organisation does not invest the time, money, support, and training necessary to prepare people to succeed. It is important to invest heavily in training and development, and make sure people have all of the tools, equipment, time, resources, and support they need to deliver the expected results (Spence, 2009:139).
- Adjust and Innovate. An organisation needs to be ready to adjust and adapt quickly to the ever changing business environment. It is crucial to measure the key drivers of success – not twenty to thirty, just four or five. Once you understand the key measures of success and have a system to track and communicate it, the next step would be to drive the entire organisation towards continuous improvement around those key measures (Spence, 2009:140).

- Reward and Punish. What gets measured and rewarded gets done. The number one way to get people to effectively execute is to reward those who are successful (Spence, 2009:141-142). It is essential to set high performance standards for people across the organisation and then to hold them 100 percent accountable to meeting or exceeding the targets, without becoming ruthless in pursuit of results (Spence, 2009:143).

The Spence framework is based on nine (9) steps and follows a process approach. The nine (9) steps of this framework correlates to a large extent with the components of the Higgins Eight (8) 'S' framework as well as with the eight (8) key levers suggested by Crittenden & Crittenden (2008:304) Important components not covered by the Spence framework are: "*strategic leadership*"; "*strategy supportive policies*"; and "*resource allocation*".

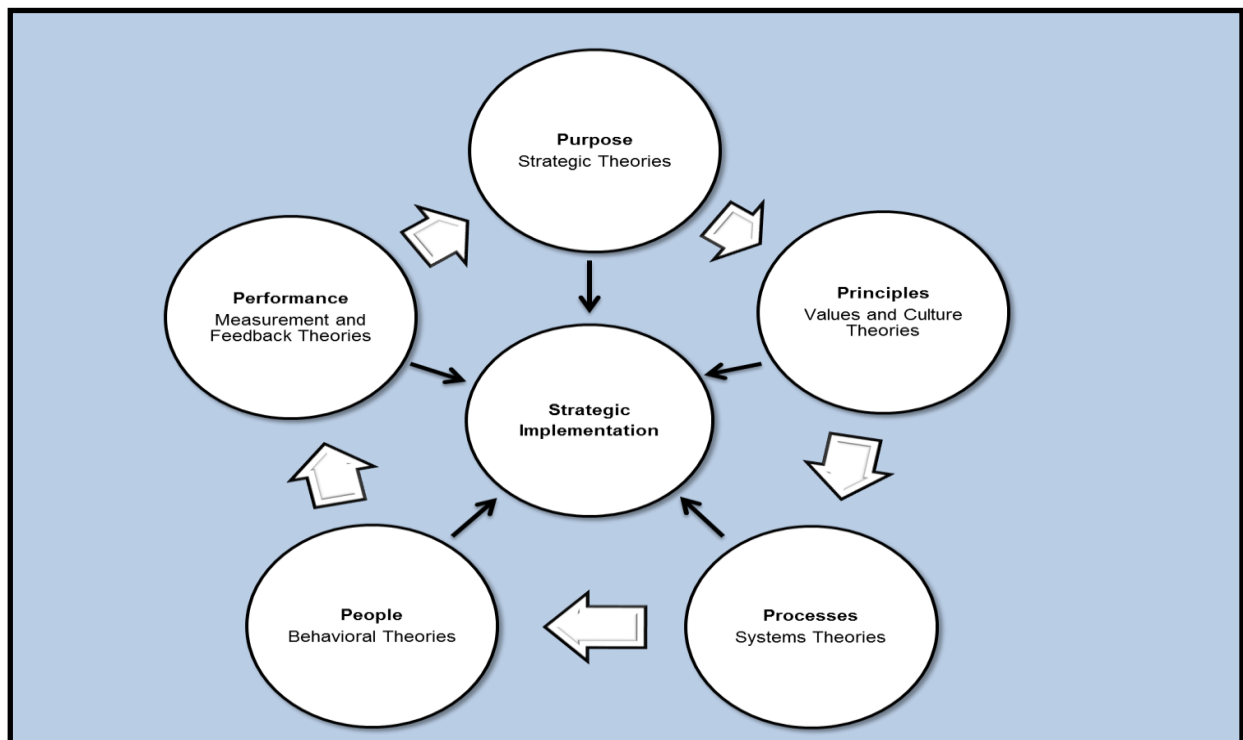
2.4.5 Pryor et al.'s Five (5) 'P' Framework for Strategy Execution

The 5 'P' framework proposed by Pryor et al. (2007:7) depicts the connection between strategy (*Purpose*) and structure (*Principles* as internal structures and *Processes* as external structures) and the influence of structure on employee behaviour (*People*) and corresponding results (*Performance*). The framework reflects that strategy drives structure; structure drives behaviour; and behaviour drives results. The arrow from *Performance* towards *Purpose* represents the consistent and continual feedback connection which is essential to successful execution.

- Purpose. Pryor et al. (2007:7-8) refer to the strategic intention of an organisation as the purpose of the firm. This includes the organisation's strategy, mission, vision, goals and objectives, measurement, and feedback. Leaders of the organisation must determine the strategic direction and broad goals of the organisation, as well as the strategy and tactics to achieve it.

- **Principle.** The guiding philosophies and attitudes about how the organisation should operate are referred to as the organisation's *Principles*. These *Principles* or core values must be deployed throughout the organisation if it is to be meaningful to each organisational unit and to the organisation as a whole. The *Principles* should be consistent with the key business processes and form part of an integrated methodology (Pryor *et al.*, 2007:9).

Figure 2.6: Pryor *et al.*'s Five (5) 'P' Framework for Strategy Execution



Source: Pryor *et al.*, (2007: 8)

- **Process.** A *process*, in the traditional process model, involves the physical steps by which inputs (people, materials, machines, systems and methods) are transformed into outputs (products and services). The 5 'P' Framework, however, includes elements omitted by the traditional process model such as responsibility, controls, accountability, and authority through which the concept of process ownership is applied (Pryor *et al.*, 2007:11).

- People. In the 5 'P' Framework, *People* include employees, customers, suppliers, and others. As previously discussed, *People* are the process owners (individuals and teams) who perform work that is consistent with the *Principles* and *Processes* of an organisation as to achieve its *Purpose* (Pryor *et al.*, 2007:12-13).
- Performance. The metrics, measurements, and expected results are all indicators of the performance status of the organisation and are used as criteria for strategic control, and ultimately decision-making. Performance results are fed back into the strategic management process as to provide feedback and determine direction. It is important for management to establish measurement and feedback systems for the organisations' long-term survival and profitability (Pryor *et al.*, 2007:7).

The components of the Five (5) 'P' framework, correlates largely with the McKinsey and Higgins frameworks.

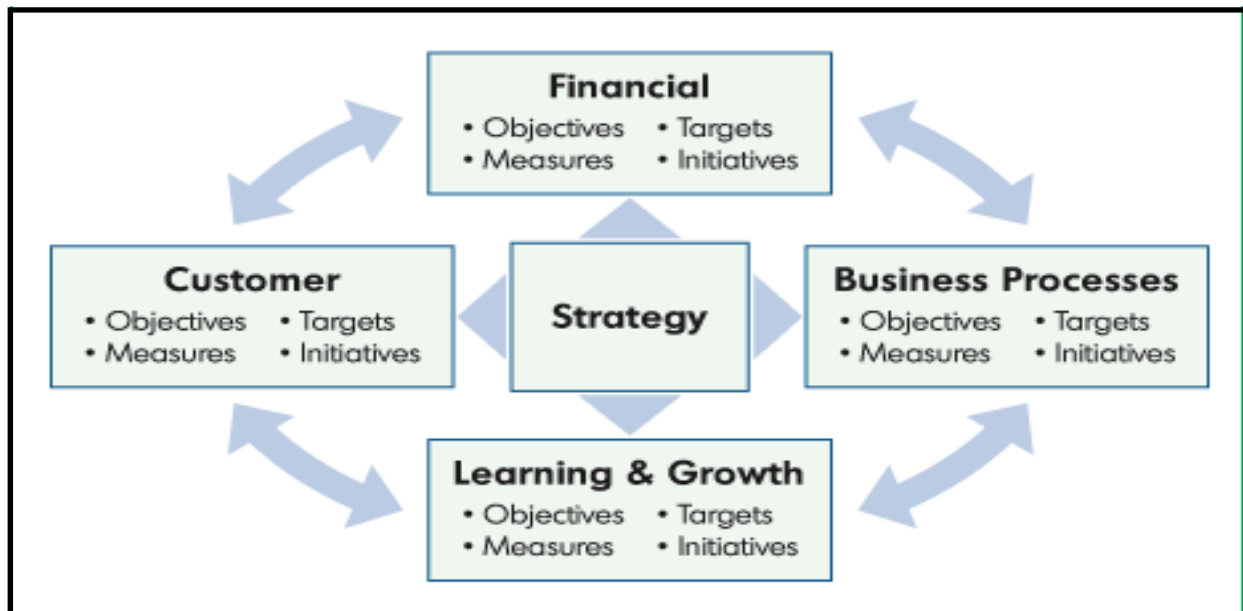
2.4.6 Balanced Scorecard Framework for Strategy Execution

The Balanced Scorecard was developed by Kaplan & Norton (2001) and provides a framework for strategy execution. It considers and approaches the execution process from four (4) perspectives:

- Financial. Focussing on growth, profitability, and risk viewed from the perspective of the shareholder as the primary objective of the organisation;
- Customer. Define the customer and market segment(s) in which the organisation competes. It is important to adhere to the principle of service excellence and to be seen as a trusted business partner. Value creation and differentiation from the perspective of the customer is also important;

- Internal Business Processes. It is important to build internal business processes that will support the customer's existing and emerging needs and will lead to customer and shareholder satisfaction; and
- Learning and Development. It is important to have the correct infrastructure, facilitating the realisation of the goals in the other three perspectives and to create a climate that supports organisational change, innovation, and growth (Kaplan & Norton, 2001:1-4 and 23; Kaplan & Norton, 2006a:3; Kaplan & Norton, 2006b:5).

Figure 2.7: Balanced Scorecard Framework for Strategy Execution



Source: Adapted from Kaplan & Norton (2004)

Whilst initially developed by Kaplan & Norton for private sector enterprises, the Balanced Scorecard (BSC) was converted to accommodate non-profit and government organisations. In private companies the primary objective is to achieve optimal financial results. In non-profit and public sector organisations the customer pays and receives the services from these organisations and cannot primarily be measured by financial indicators and should rather be measured in terms of how effective it is in providing services to customers (Kaplan & Norton, 2001:134).

The BSC framework can thus be used by municipalities but only if the perspectives are re-arranged as to make the “*financial*” perspective one of the enablers along “*business processes*” and “*learning and growth*”. The “*customer*” perspective must become the primary objective and outcome in terms of which the municipality’s performance will be determined. The BSC is not a comprehensive strategy execution framework and should rather be used to measure the strategic performance of a municipality.

2.4.7 The Eight (8) Levers of Strategy Execution

Crittenden & Crittenden (2008:304) identified eight (8) key levers affecting the formulation-execution process and ensuring formulation-execution performance:

- Actions. Who, what, and when of cross-functional integration and company collaboration;
- Programs. Instilling organisational learning and continuous improvement practices;
- Systems. Installing strategic support systems;
- Policies. Establishing strategy supportive policies;
- Interacting. The exercising of strategic leadership;
- Allocating. Understanding when and where to allocate resources;
- Monitoring. Aligning rewards to achievement; and
- Organising. The strategic shaping of corporate culture.

This framework provide organisations with an opportunity to determine which levers are working well and which levers need to be improved given the challenges faced by the organisation (Crittenden & Crittenden, 2008:309).

The eight (8) key levers of this framework correlate well with the nine (9) steps of the Spence framework.

2.4.8 Strategy Execution Enablers/Barriers

Jooste & Fourie (2009:62) determined empirically that the enablers (drivers) of strategy execution are: (1) strategic leadership; (2) organisational culture; (3) resource allocation; (4) organisational structure; (5) performance management (6) training and development; and (7) information systems.

MacLennan (2011:37) is of the view that the key barriers to strategy execution, as identified in research, include the absence or problems with: (1) strategy execution framework; (2) task definition; (3) organisational structure; (4) resource management; (5) information sharing; (6) top team functioning; (6) staff turnover; (7) budgeting system; (8) conflicting priorities; (9) cross-functional co-ordination and conflict; (10) time pressure; (11) reporting and problem escalation; (12) communication; (13) clarity of accountability; (14) organisational capability; (15) performance measures; and (16) management information and feedback.

Beer & Eisenstat (in DeLisi, 2005:3) identified the following six strategy execution “killers” as: (1) ineffective senior management team; (2) top-down or laissez-faire senior management style; (3) unclear strategies and conflicting priorities; (4) poor vertical communication; (5) poor coordination across functions; and (6) inadequate leadership skills.

DeLisi (2005:3-4) identified the main reasons for the failure of strategy execution as: (1) the lack of strategy knowledge and of the formulation process; (2) little commitment to the strategy; (3) the strategy was not effectively communicated; (4) people are not measured or rewarded for executing the plan; (5) the plan is too abstract and people cannot relate to it; (6) people are not held accountable for execution; (7) senior management does not pay enough attention to the strategy; (8) strategy is not clear, focused and consistent; (9) the strategy is not updated on a regular basis; (10) control systems are not in place to measure and track execution of the strategy; (11) enablers such as culture, structure, processes, IT systems, management systems and human

resource systems, are not well considered; and (12) the organisation and people are driven by short-term results.

An enabler could be a barrier and a barrier could be an enabler depending on whether it is viewed as strength or a weakness in the organisation. The “*enablers*” and “*barriers*” in this section should rather be viewed as factors that are necessary to succeed in executing the strategy. The listed enablers (factors required to succeed) and barriers (factors preventing success) correlate well with the enablers/components/factors discussed and listed in the frameworks and literature.

2.4.9 Review of Strategy Execution Frameworks

The review of the strategy execution frameworks revealed that it was primarily developed for the private sector and organisations in general and not specifically for municipalities or the public sector.

The key elements of the seven (7) reviewed strategy execution frameworks could be summarised as:

- Strategy, purpose and shared values;
- Organisational structure;
- Systems and processes;
- Leadership and style;
- People and staff;
- Skills, learning and development;
- Performance, reward and monitoring;
- Resources;
- Culture and communication;
- Finances (municipality enabler and private sector outcome); and
- Customers (municipality outcome).

2.5 CHAPTER SUMMARY

This chapter reviewed the literature as it relates to strategy execution. Seven (7) strategy execution frameworks were reviewed. The chapter also reviewed “*strategy*” and “*strategy execution*” definitions; “*barriers of strategy execution*”; “*strategy formulation*”; and strategy execution in terms of “*leadership and management*”; “*organisation, people and skills*”; “*policies*”; “*systems and processes*”; “*performance management*”; “*resources and budgeting*”; and “*services and customer care*”.

It is evident from the literature study that limited research and literature exist regarding strategy execution and it is even worse with regards to the public sector and more specifically the local government sector.

This chapter concluded by identifying the seven (7) enablers required for the successful execution of strategy and will form the basis for developing the survey questionnaire:

- “*Strategy and Planning*”;
- “*Leadership and Management*”;
- “*Organisation, People and Skills*”;
- “*Policies, Processes and Procedures*”;
- “*Systems and Technology*”;
- “*Resources and Budgeting*”; and
- “*Performance Management*”.

For purposes of this study, “*Services and Customer Care*” will be treated as the ultimate objective and outcome of the strategy execution process in municipalities. It will form part of the questionnaire and the purpose will be to establish the state of “*Services and Customer Care*” within the Gauteng municipalities.

The execution components of “*structure*”, “*people*”, “*capability*”, “*skills*”, “*training*”, “*culture*” and “*values*” were well covered by the literature and the various reviewed execution frameworks and will for purposes of this study be referred to as the “*Organisation, People and Skills*” enabler.

The statements (questions) for each enabler and for the ultimate outcome “*Services and Customer Care*” will be developed and formulated as to ensure that it is relevant and specific to the local government sector, as reviewed in chapter 3.

The next chapter will review the legislated framework that regulates strategy formulation and planning for local government in South Africa.

CHAPTER 3

STRATEGY AND PLANNING IN LOCAL GOVERNMENT

3.1 INTRODUCTION

This chapter will review the legislated framework that regulates strategy formulation and planning for local government in South Africa with specific focus on: (1) *“Services and Customer Care”*; (2) *“Integrated Development Planning”*; (3) *“Service Delivery and Budget Implementation Plan (SDBIP)”*; and (4) *“Performance Management”*.

The available literature and sources with regards to strategy and planning for local government in South Africa, is very limited. The available resources are primarily legislation, white papers, regulations and publications developed and issued by state departments and the South African Local Government Association (SALGA).

The Constitution of the Republic of South Africa (SA, 1996) in section 152 established the objectives for local government as to:

- provide democratic and accountable government for local communities;
- ensure the provision of services to communities in a sustainable manner;
- promote social and economic development;
- promote a safe and healthy environment; and to
- encourage the involvement of communities and community organisations in the matters of local government.

Section 153(a) of the Constitution (SA, 1996) further instructs a municipality to structure and manage its administration and budgeting and planning processes to give priority to the basic needs of the community and to promote social and economic development.

3.2 SERVICES AND CUSTOMER CARE

3.2.1 Background

The Batho Pele (*People First*) White Paper (BPWP) provides a policy framework for the transformation of public service delivery. This White Paper is primarily about improving the efficiency and effectiveness of the way in which services are delivered to the community (SA, 1997:5).

The Constitution (SA, 1996) stipulates that public administration should adhere to a number of principles, including that:

- a high standard of professional ethics be promoted and maintained;
- services be provided impartially, fairly, equitably and without bias;
- resources be utilised efficiently, economically and effectively;
- peoples' needs be responded to;
- the public be encouraged to participate in policy-making; and that
- it be accountable, transparent and development-oriented (section 195).

The Constitution, through section 33 (Bill of Rights) also give citizens certain rights to take action against the state if they believe their constitutional rights have been infringed, and to have access to information held by the state which they need in order to be able to do so (SA, 1996).

3.2.2 The Batho Pele White Paper (BPWP)

The BPWP provides a policy framework to enable public sector departments to develop departmental service delivery strategies. These strategies must promote continuous improvements in the quantity, quality and equity of service provision (SA, 1997:10):

- a mission statement for service delivery, together with service guarantees;

- the services to be provided, to which groups, and at which service charges;
- service standards, defined outputs and targets, and performance indicators,
- benchmarked against comparable international standards;
- monitoring and evaluation of mechanisms and structures, designed to measure progress and introduce corrective action, where appropriate;
- plans for staffing, human resource development and organisational capacity building, tailored to service delivery needs;
- the redirection of human and other resources from administrative tasks to service provision, particularly for disadvantaged groups and areas;
- financial plans that link budgets directly to service needs and personnel plans;
- potential partnerships with the private sector, non-governmental organisations (NGOs) and community-based organisations (CBOs) which will provide more effective forms of service delivery; and
- the development, particularly through training, of a culture of customer care and of an approach to service delivery that is sensitive to issues of race, gender and disability (SA, 1997:10).

The BPWP proposed that public service managers require new management tools to ensure the successful implementation of a service delivery program and in essence these are:

- assignment to individual managers of responsibility for delivering specific results for a specified level of resources and for obtaining value for money in the use of those resources;
- individual responsibility for results matched with managerial authority for decisions about how resources should be used;
- delegation of managerial responsibility and authority to the lowest possible level; and
- transparency about the results achieved and resources consumed (SA, 1997:11).

Section 4.1 of the BPWP (SA, 1997) prescribed the implementation of eight (8) Batho Pele (*“people first”*) principles to serve as acceptable legislative framework to improve service delivery in the public service.

The eight (8) Batho Pele principles are the following:

- Consultation. All state departments must, regularly and systematically, consult not only about the services currently provided but also about the provision of new basic services to those who lack it. Whatever method is chosen, consultation must cover the entire range of existing and potential customers. It is essential that consultation should include the views of those who have previously been denied access to public services. There are many ways to consult users of services including conducting customer surveys, interviews with individual users, consultation with groups, and holding meetings with consumer representative bodies. Consultation is a powerful tool that enriches and shapes government policies such as the Integrated Development Plans (IDPs) and its implementation (SA, 1997:16).
- Setting Service Standards. This principle reinforces the need for benchmarks to constantly measure the extent to which citizens are satisfied with the service or products they receive from departments. It also plays a critical role in the development of service delivery improvement plans to ensure a better life for all South Africans. Citizens should be involved in the development of service standards that are precise and measurable so that users can judge for themselves whether or not they are receiving what was promised. Service standards should be benchmarked (where applicable) against those used internationally, taking into account South Africa's current level of development (SA, 1997:16-17).
- Increasing Access. All state departments are required to specify and set targets for progressively increasing access to their services for those who have not previously received it. Service delivery programs should therefore specifically address the need to progressively redress the disadvantages of all barriers to access. One of the main aims of Batho Pele is to provide a framework for making decisions about delivering

public services to all South Africans. Batho Pele also aims at rectifying the inequalities in the distribution of existing services (SA, 1997:18).

- Ensuring Courtesy. State departments must specify the standards for the way in which customers should be treated. These are to be included in the departmental Codes of Conduct. The performance of staff who deals with customers must be regularly monitored, and performance which falls below the specified standards should not be tolerated. Service delivery and customer care must be included in all future training programs, and additional training should be given to all those who deal direct with the public, whether face-to-face, in writing or on the telephone. It requires service providers to empathize with the customers and treat them with respect (SA, 1997:18-19).
- Providing information. Departments must provide full, accurate and up-to-date information about the services they provide, and who is entitled to it. As a requirement, available information about services should be at the point of delivery, but for users who are far from the point of delivery, other arrangements will be needed (SA, 1997:19-20).
- Openness and Transparency. A key aspect of openness and transparency is that the public should know more about the way national, provincial and local government institutions operate, how well they utilise the resources and who is in charge. It is anticipated that the public will take advantage of this principle and make suggestions for improvement of service delivery mechanisms, and to even make government employees accountable and responsible by lodging complaints and raising queries (SA, 1997:20).
- Redress. This principle emphasises a need to identify quickly and accurately when services are falling below the promised standard and to have procedures in place to remedy the situation. This should be done at the individual transactional level with the customer, as well as at the organisational level, in relation to the entire service delivery program. Public servants are encouraged to welcome complaints as an

opportunity to improve services, and to deal with complaints so that weaknesses can be remedied quickly for the good of the customer (SA, 1997:20-22).

- *Value for Money*. One of the key aims of Batho Pele will be to find ways to simplify procedures and eliminate waste and inefficiency. All state departments will be required, as part of their service delivery improvement program, to identify areas where efficiency savings will be sought, as well as the service delivery improvements which will result from achieving the savings. Many improvements that the public would like to see often require no additional resources and can sometimes even reduce costs (SA, 1997:22).

The core business and primary objective of a municipality is “*Services and Customer Care*”. It is well regulated and municipalities are provided with clear guidelines. The success of the strategy execution process can only be assessed in terms of the quality of services and customer satisfaction. For the purposes of this study, as indicated in chapter 2 (par. 2.3.8), “*Services and Customer Care*” will be treated as the ultimate objective and outcome of the strategy execution process. It will form part of the questionnaire and the purpose will be to establish the state of “*Services and Customer Care*” within the Gauteng municipalities.

3.3 INTEGRATED DEVELOPMENT PLAN (IDP)

3.3.1 Background

The strategic plan for a municipality is officially referred to as the Integrated Development Plan (IDP) and is prepared for a five year period aligned to the elected term of the councillors. The planning process must involve the local community and stakeholders and should address problem areas by formulating solutions that will ensure effective and sustainable development. The integrated development planning process guides and informs all planning, budgeting, management and decision-making

in a municipality in the short, medium and long term (SA, 2000a: section 26, 35 and 36; SALGA, 2001:4).

A municipal council, within a prescribed period after the start of its elected term, must approve a single, inclusive strategic plan for the development of the municipality. The strategic development plan is developed through a methodology referred to as the integrated development planning process. The strategic plan must be aligned with and complement the development plans and strategies of other affected municipalities as well as the provincial and national spheres of government. (SA, 2000a: section 26, 35 and 36; SA, 2006a:63).

Section 35 of the Systems Act, 32 (SA, 2000a) determines the status of the IDP as the *“principal strategic planning instrument which guides and informs all planning and development, and all decisions with regard to planning, management and development in the municipality”*.

The IDP should be the result of an assessment of the current realities in a municipal area, such as, economic, social and environmental trends, available resources, skills and capacities. The IDP must reflect and provide for the needs of the community and interest groups within the municipal area and should facilitate sustainable local economic development and growth (SALGA, 2001:48).

According to the White Paper on Local Government (SA, 1998b) the integrated development plan is a planning and strategic framework to assist a municipality to fulfil its developmental mandate:

- it enables municipalities to align their financial and institutional resources behind agreed policy objectives and programs;
- it is a vital tool to ensure the integration of local government activities with other spheres of development planning at provincial, national and international levels, by serving as a basis for communication and interaction;

- it serves as a basis for engagement between local government and the citizens at the local level, and with various stakeholders and interest groups;
- participatory and accountable government only has meaning if it is related to concrete issues, plans and resource allocations;
- it enables municipalities to weigh up their obligations and systematically prioritise programs and resources;
- it assists municipalities to focus on the environmental sustainability of their delivery and development strategies; and
- it helps municipalities to develop a holistic strategy for poverty alleviation. Poverty is not just about low household income. It includes other aspects of deprivation such as a lack of assets to help households cope with shocks and stresses, a lack of the resources or contacts necessary to secure political advantage, a lack of access to education, health care and emergency services, and the lack of safe, secure, and adequately sized housing with basic services (SA, 1998b:30).

3.3.2 Content of the Integrated Development Plan (IDP)

Section 26 of the Systems Act, 32 (SA, 2000a) lists the minimum items that must be included in the IDP:

- a vision for long-term development, with specific emphasis on the municipality's development and internal transformation needs;
- an assessment of existing levels of development, including an identification of communities excluded from services;
- the development priorities and objectives, including local economic development aims and internal transformation needs;
- the development strategies, which must be aligned with national and provincial plans and planning requirements;
- a spatial development framework, including basic guidelines for land use management;
- the operational strategies;

- disaster management plans;
- a financial plan, including a budget projection for at least the next three years; and
- the key performance indicators and key performance targets.

This is the minimum content of the IDP, without which it cannot be legally adopted. However, the council, on its own initiative, can add other components to the plan. Whilst not legislated as such, the majority of municipalities developed a long-term vision and strategy referred to as the *“Growth and Development Strategy (GDS)”* with the intention of complementing the IDP and complying with the legislated guideline in Section 26 of the Systems Act, 32 (SA, 2000a) that *“a vision for long-term development, with specific emphasis on the municipality’s development and internal transformation needs”* should be developed (SALGA, 2001:33).

Any strategic planning by a municipality must take place within the framework of the IDP and should not be seen as separate from it. Section 36 of the Systems Act, 32 (SA, 2000a) stipulates that a municipality must give effect to its IDP and conduct its affairs in a manner which is consistent with the content of the plan.

The Systems Act, 32 (SA, 2000a: section 25) stipulates the features of the IDP and indicates that it:

- links, integrates and co-ordinates plans;
- aligns the municipality’s resources and capacity (e.g. budget) with the implementation of the plan;
- forms the basis on which the budget must be based; and
- is compatible with national and provincial development plans that are binding on the municipality in terms of legislation.

3.3.3 Process Plan

Drafting an IDP requires a comprehensive planning process and the involvement of a wide range of internal and external role-players. Such a process has to be properly organised and prepared. This preparation is the duty of the municipal manager and senior management. The preparation process will be referred to as the “*Process Plan*” and should contribute to the institutional preparedness of the municipality for the IDP process (SALGA, 2001:21).

Sections 28 and 29 of the Systems Act, 32 (SA, 2000a) require that each municipality must adopt a “*process set out in writing*” which is supposed to guide the planning, drafting, adoption and review of the IDP. The “*Process Plan*” has to outline and include:

- the program specifying time frames for the different planning phases;
- the appropriate mechanisms, processes and procedures for consultation with and participation of local communities, organs of state, traditional authorities, and other stakeholders in the IDP process;
- the identification of all plans and planning requirements binding on the municipality in terms of provincial and national legislation;
- the structures that will manage the planning process;
- how the public can participate and structures that will be created to ensure this participation;
- the time schedule of the planning process;
- who is responsible for what; and
- how will the process be monitored (SALGA, 2001:21-22).

The process producing the IDP will consist of five (5) phases (SA, 2000d: 29).

3.3.4 Phase One (1): Analysis

During this phase information is collected on the existing situation within the municipality. It focuses on the problems faced by the community and stakeholders in the area and the causes of these problems. The identified problems are evaluated and prioritized in terms of what is urgent. Information on the availability of resources is also collected and the municipality will now be able to provide:

- an assessment of the existing level of development;
- details on priority issues and problems and their causes; and
- information on available resources (SA, 2000e:30).

3.3.5 Phase Two (2): Strategies

During this phase, the focus is on finding solutions to the problems identified in phase one (analysis). This entails:

- Developing a Vision. The vision is a statement of the ideal situation the municipality would like to achieve in the long term once it has addressed the problems outlined in phase one;
- Defining Development Objectives. Development objectives are clear statements of what the municipality would like to achieve in the short to medium term to deal with the problems outlined in phase one;
- Development Strategies. Once the municipality has determined where it wants to go it needs to work out how to get there. A development strategy is about finding the best way for the municipality to meet the development objectives; and
- Project Identification. The specific programs, projects and activities are now identified (SA, 2000e:44).

3.3.6 Phase Three (3): Projects

During this phase the design and content of projects identified during Phase 2 are finalised. Clear details for each project have to be worked out in terms of:

- who is going to benefit from the project?
- how much is it going to cost?
- how is this project going to be funded?
- how long would it take to complete? and
- who is going to manage the project?

Clear targets must be set and indicators worked out to measure performance as well as the impact of individual projects (SA, 2000e:68).

3.3.7 Phase Four (4): Integration

Once all projects have been identified, the municipality must ensure that it addresses the objectives outlined in Phase 2. These projects will provide an overall picture of the development plans and must now be integrated and aligned with the overall IDP. These integrated programs and projects are useful for short-term, medium and long-term planning (SA, 2000e:80).

3.3.8 Phase Five (5): Approval

A municipality must adopt its IDP within a period prescribed by the Minister. The power to adopt an IDP cannot be delegated by the municipal council (SA, 2000a: section 59). Within 14 days after the adoption of the IDP, the municipality must inform the public that the plan has been adopted and that copies are available for inspection (SA, 2000a: section 25(4)). A summary of the plan must also be published, for instance, in the local newspaper. A newly elected council may adopt the previous IDP, provided that:

- the community is consulted on development needs and priorities; and
- plans and planning requirements, binding on the municipality in terms of national and provincial legislation, are identified (SA, 2000e:102).

This is the final phase, during which the IDP is presented to the council for consideration and adoption. The Council may adopt a draft for public comment before approving a finalised IDP.

Stakeholder participation can be encouraged during the different phases of planning, as follows:

Table 3.1: Stakeholder Participation

Planning Phase	Methods for Participation
Analysis	Community meetings organised by the ward councillor. Stakeholder meetings. Surveys and opinion polls (getting views on how people feel about a particular issue).
Strategies	IDP Representative Forum. Public debates on what can work best in solving a problem. Meetings with affected communities and stakeholders.
Projects	Representation of stakeholders on project sub-committees.
Integration	IDP Representative Forum.
Approval	Public discussion and consultation with communities and stakeholders.
Monitor, Evaluation and Implementation	IDP Representative Forum.

Source: SA (2000c:51)

3.3.9 Co-ordination and Management

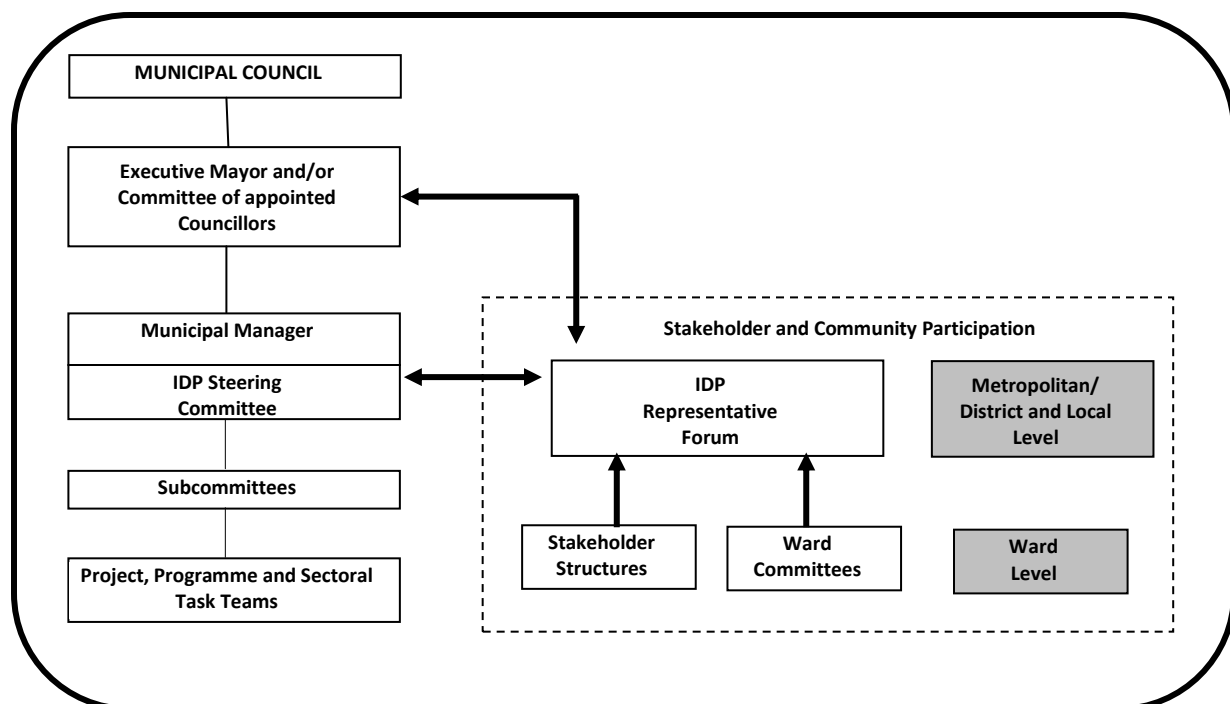
The executive committee or the executive mayor must oversee the drafting of the IDP. The executive committee or executive mayor must assign the relevant responsibilities to finalise the IDP, to the municipal manager who must then prepare and submit the draft IDP for consideration and adoption by the council (SA, 2000a: section 30).

These provisions remove any doubt as to where the IDP '*nerve-centre*' is located. It is evident that the drafting of the IDP must be initiated and managed at the highest political and administrative level of the municipality. The process may not be coordinated and managed by one particular line department or unit (SA, 2001: A-2).

3.3.10 Institutional Arrangements

The structure that facilitates the IDP process is explained by figure 3.1.

Figure 3.1: Integrated Development Planning Structure



Source: SA (2000c:23)

3.3.11 Reviewing the IDP

A council must review its IDP annually (SA, 2000a: section 34). This annual review must be conducted in accordance with its performance management system. The IDP must also be reviewed and amended when it is required by circumstances (SALGA, 2001: A-3).

3.3.12 Public Participation Process

The council must establish a process for assessing the development needs in the municipal area. The residents will be central in the process and must inform the municipality of issues such as maintenance backlogs, the existence of poorly serviced areas, problems experienced with service delivery (SALGA, 2001: A-3).

Elected representatives always make the final policy decisions. The quality of these policy decisions is however enhanced by the views of the broader community when it is taken into consideration. Effective public participation provides an important opportunity to deepen local knowledge and understanding of the municipality. Commitment through good communication is an essential part of developmental local government. Unless communities, across the socio-economic spectrum, understand the business of the council and how their rates and taxes are spent, municipalities do not meet their obligation of being developmental (SALGA, 2001:104).

The Systems Act, 32 (SA, 2000a) emphasises the identification of communities that are excluded from service delivery. The next step is to evaluate and prioritise the various development needs in consultation with the community. Since it is impossible to prioritise without all the relevant information, two participatory processes must be established:

- a process that involves the community in assessing its needs; and

- a process that facilitates consultation with the community on the prioritisation of those needs in the municipality (SALGA, 2001: A-4).

The process to assess development needs could include ward audits, on-site visits and public meetings. The process should take place at the lowest level possible, and preferably, at ward level. The ward committees, where they exist, are critical structures to convey the needs of the ward to the council and should be incorporated in any such participatory process (SALGA, 2001: A-4).

The public participation process to prioritise needs should preferably be preceded by a document in which the council outlines its initial evaluation of the development needs. The council could then invite comments on the document by publishing it in the local newspaper or any similar medium or by holding public meetings (SALGA, 2001: A-4).

Chapter 5 of the Systems Act, 32 (SA, 2000a) requires that citizens participate in the planning process as to ensure that municipal plans are relevant to local needs and conditions. This can take place through public meetings or workshops to explore the development needs within a municipality. The elected ward councillors play an important role in this process.

The council must use its existing community participation processes to communicate regularly with the community as to receive comments and inputs. An example of the latter could be the request for a ward committee to prepare a draft plan on issues such as community safety or to present ideas on local economic development for their ward, which could be considered and incorporated into the municipality's IDP (SA, 2000c:49).

3.3.13 District IDP Framework

Each district municipality must adopt an IDP framework after following a '*consultative process with the local municipalities*'. The framework must:

- identify all plans and planning requirements that apply to the district or any of its local municipalities in terms of national or provincial legislation;
- identify those matters where IDP processes throughout the district require alignment;
- specify the principles to be applied in respect of those matters;
- co-ordinate the approach to be adopted in respect thereof;
- determine procedures for consultation with local municipalities during the drafting processes of their IDPs; and
- determine procedures to effect amendments to the framework (SALGA, 2001: A-4).

3.3.14 District Municipality IDP

Section 29(2) (a) of the Systems Act, 32 (SA, 2000a) provides that a district - municipality must conduct its own integrated development planning process in '*close consultation with the local municipalities in that area*'. This district IDP must be aligned with the district framework and the IDP processes. Proposals of local municipalities must be '*taken into account*' in the drafting process (SALGA, 2001: A-5).

3.3.15 Provincial Government

The Provincial Member of the Executive Committee (MEC) responsible for local government may monitor the drafting process and assist in drafting, adopting and reviewing the IDPs of municipalities within a province. The MEC may also facilitate the alignment of the IDPs of different municipalities and the alignment of IDPs with national and provincial programs (SA, 2000a: section 31). Within ten days after approval, the municipal manager must to the MEC submit a copy of the IDP, a summary of the drafting process, a statement explaining that the process has been complied with, and a copy of the relevant district framework must accompany the submission (SA, 2000a: section 32(1)).

The MEC may request a municipality to adjust the content of its IDP to comply with the Systems Act, 32 (SA, 2000a) or if it is not aligned with the plans and strategies of other affected municipalities or organs of state (SALGA, 2001: A-5).

The MEC can request the municipality to comply with the provision in the Systems Act, 32 (SA, 2000a) concerning that process, if the municipality has failed to do so. After following the correct process, the content of the IDP must be amended, if so required (SA, 2000a: section 32(2)).

The municipality must respond to the MEC's request within 30 days. If the municipality disagrees with the MEC's request, it must object and provide reasons. If necessary, the MEC must appoint an ad hoc committee to decide on the objection. The MEC appoints representatives of local government, provincial government and national government as members of such an ad hoc committee. The municipality, provincial organ(s) or national organ(s) involved in the dispute must agree on the appointment of the representatives of their spheres of government (SA, 2000a: section 33(2)). If at least two spheres of government agree on a matter, it is so decided (SALGA, 2001: A-5). If that committee rejects the municipality's objection, the municipality must comply with the MEC's request within 30 days (SA, 2000a: sections 32(3) and (4)).

It is clear from this section of the study that the strategy formulation process in municipalities is well regulated and that it contributes to the standardization of the planning (IDPs) process. Complying with legislation is important but it should not become the core focus of the process. It is very important to develop a credible and relevant strategy and plan which addresses the intended vision, long-term objectives, and local community needs and envisaged outcomes of the municipality. Part and parcel of a credible IDP is identifying and developing the correct Key Performance Indicators (KPIs) and targets that will drive and ensure that the desired performance and outcomes are achieved.

3.4 SERVICE DELIVERY AND BUDGET IMPLEMENTATION PLAN (SDBIP)

3.4.1 Background

The IDP and budget of the municipality are both high-level strategic plans and are not implementation plans. According to National Treasury's Circular 13 (SA, 2005) the SDBIP can be viewed as a 'contract' between the municipality and community, as well as between the municipality's administration and council. It indicates to the community what the municipality will deliver in the coming year and forms the basis for measuring performance and progress against end-of-year targets in service delivery and budget implementation. The Service Delivery and Budget Implementation Plan (SDBIP) is primarily a management, implementation and monitoring tool (SA, 2005: 2).

3.4.2 Annual Implementation Plan

The intention of the SDBIP is to convert the IDP and annual budget into an implementation plan and to provide a mechanism to monitor inputs, outputs and outcomes for each senior manager (by department) by vote. Service delivery levels and standards for each ward or designated area must also be shown in the SDBIP.

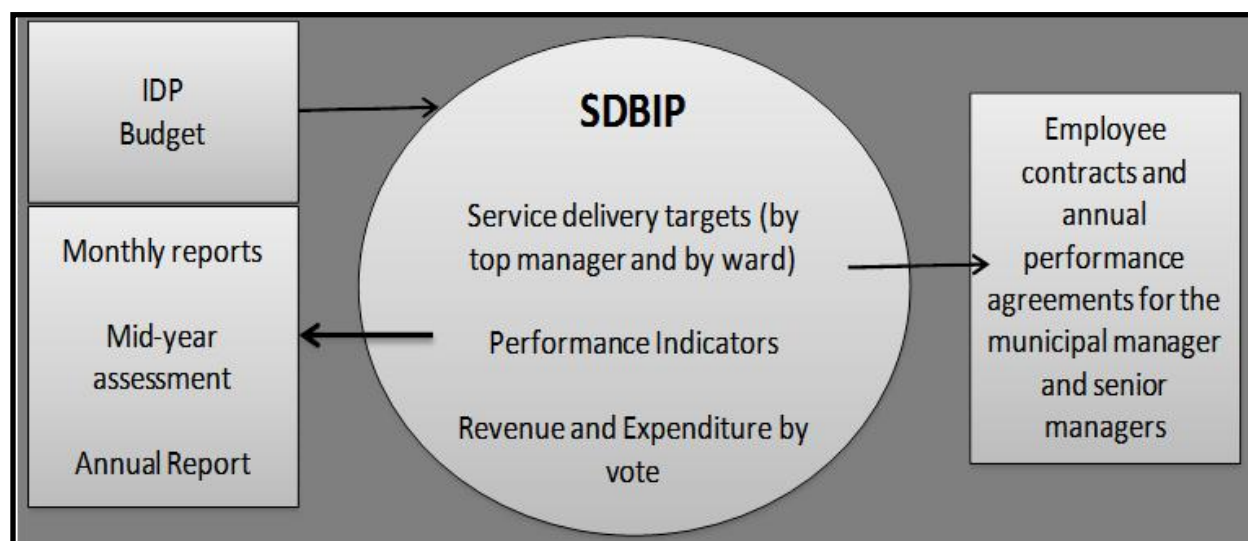
The municipal manager is responsible for preparing the SDBIP, which must be submitted to the mayor for approval once the budget has been approved by the council. The SDBIP is a detailed plan approved by the mayor of a municipality which guides the municipality's delivery of services and executing of its annual budget (SA, 2006a:77).

The SDBIP must at least include the following monthly projections:

- revenue to be collected for each source; the municipality MUST have a monthly plan for the revenue it expects to be collected for each revenue source. The information on revenue must be monitored and reported monthly to council by the municipal manager; and

- monthly projections of expenditure (operating and capital) and revenue for each vote (SA, 2005:7).

Figure 3.2: Service Delivery and Budget Implementation Plan (SDBIP)



Source: SA (2005:1)

The SDBIP should also include at least the following quarterly projections:

- service delivery activities and programs;
- targets and performance indicators for each vote;
- ward information for expenditure and service delivery; and
- capital infrastructure programs by ward over three years (SA, 2005:8).

The SDBIP should also provide for the project number; project name; senior manager responsible; a short description of what the project will deliver; planned start date; actual start date; planned completion date; actual completion date; capital costs timed per month; and reasons for variances including if the project was completed but did not deliver to specification (SA, 2005:8).

The SDBIP constitutes the annual implementation plan for a municipality and indicates

how a municipality will implement the approved IDP and budget. The circular (SA, 2005:1) which is regulating and guiding the content of the implementation plan was developed and issued by National Treasury and is primarily a financial monitoring instrument. It is crucial that municipalities develop credible IDPs as first step and that the implementation plan (SDBIP) serves the purpose of facilitating the annual execution process of the entire IDP. If the focus is to primarily comply with the circular, the risk exists that the municipality might have a flawed SDBIP and executing a flawed plan spells disaster.

3.5 PERFORMANCE MANAGEMENT SYSTEM (PMS)

3.5.1 Background

In South Africa, municipal performance management has its policy origins in the White Paper on Local Government (SA, 1998b). It proposed performance management together with integrated development planning and public participation, as important tools central to the notion of developmental local government.

The White Paper (SA, 1998b) proposes the introduction of performance management systems to local government, as a tool to ensure developmental local government. Government took this idea forward in sections 41 – 49 of the Municipal Systems Act, 32 (SA, 2000a) and requires all municipalities to develop a Performance Management System (PMS) that will:

- set targets, monitor and review performance based on indicators linked to the IDP;
- publish an annual report on performance for the council staff, the public and other spheres of government;
- incorporate and report on a set of general indicators prescribed nationally by the minister responsible for local government; and

- have their annual performance report audited by the Auditor-General and involve the community in setting indicators and targets as well as reviewing municipal performance.

3.5.2 Legislative Framework

In 2001, the Minister for Provincial and Local Government published the Municipal Planning and Performance Management Regulations (SA, 2001). This sets out, in more detail, the requirements for municipal Performance Management Systems (PMS). The regulations also prescribe:

- nine (9) National Key Performance Indicators (NKPI), on which all municipalities are required to report (SA, 2001: section 10); and
- new requirements for both internal and external audit processes of municipal performance (SA, 2001: section 14).

The National Key Performance Areas (NKPAs) for local government are:

- *“Financial Management and Viability”*;
- *“Economic, and Social Development”*;
- *“Institutional Transformation”*;
- *“Infrastructure and Services”*; and
- *“Democracy and Good Governance”* (SA, 2006b:27).

Chapter 6 of the Systems Act, 32 (SA, 2000a) describes in detail the requirements for municipalities to develop and establish a Performance Management System (PMS). In terms of the core components of this system the municipalities must:

- set appropriate Key Performance Indicators (KPIs) as a yardstick for measuring performance, including outcomes and impact, with regard to the municipality’s development priorities and objectives set out in its IDP;

- set KPIs and measurable performance targets with regard to each of those development priorities and objectives;
- monitor performance;
- measure and review performance at least once per year;
- take steps to improve performance with regard to those development priorities and objectives where performance targets are not met;
- establish a process of regular reporting to the council, other political structures, political office bearers and staff of the municipality and the public and appropriate organs of state; and
- the system applied by a municipality in compliance with subsection (1)(c) must be devised in such a way that it may serve as an early warning indicator of under-performance (SA, 2000a: section 41 (1)).

The PMS envisaged above complements the type of information required by the Municipal Financial Management Act (SA, 2003) in terms of assessing value for money. Thus it is important to ensure that the performance measures and targets, as well as the monitoring and measuring systems, are integrated with the budgeting process (SALGA, 2001:79-81).

The internal structures as well as the functions and powers of the executive committees and executive mayors are dealt with in chapter 4 of the Structures Act, 117 (SA, 1998a). The functions of the executive committee are the following:

- to identify and develop criteria in terms of which progress in the implementation of the strategies, programs and services can be evaluated, including Key Performance Indicators (KPIs); which are specific to the municipality and common to local government in general;
- to evaluate progress against the KPIs; and
- to review the performance of the municipality in order to improve the economy, efficiency and effectiveness of the municipality (SA, 1998a: section 44 (3)).

The same functions, stated above, are required of executive mayors. Once again, the importance of measuring and evaluating performance is highlighted, suggesting an integrated system, which can measure both financial and non-financial performance (SALGA, 2001:79-81).

Ideally a municipality's PMS should be developed while developing the IDP. The two are interrelated processes that share many common stages. For example, the public participation requirements in developing an IDP are the same as when developing a PMS. They should be using the same public participation process. The KPIs to be developed for the IDP are the same indicators to be used to manage performance; hence the identification of KPIs for the IDP relies on the type of approach being taken in performance management (SALGA, 2001:79-81).

The Planning and Performance Management Regulations (SA, 2001: section 9 (1) (a)) prescribe that a municipality must set KPIs, including input indicators, output indicators and outcome indicators, in respect of each of the development priorities and objectives referred to in section 26(c) of the Systems Act, 32 (SA, 2000a).

The Systems Act, 32 (SA: 2000a) and Performance Regulations (SA, 2001) as quoted above makes it clear that indicators must be linked to a municipality's development priorities and objectives as set out in its IDP. This forms the basis for municipal organisational performance management. The Systems Act, 32 (SA, 2000a) further requires that a municipality's performance must be monitored, measured and reviewed against the KPIs and targets set for a municipality's development priorities and objectives.

It is important to note that the legislation does not refer to indicators linked to projects at this level. Project implementation will drive IDP implementation and it is important that the implementation of projects be monitored whether through project level indicators or through meeting project milestones and the completion of project related tasks and/or activities (SA, 2000e:68).

The underlying theoretical approach is that a PMS must be the primary tool to measure and monitor the progress made with achieving a municipality's strategy as captured in the IDP. Proper project management will ensure IDP implementation but over and above that, and perhaps even more important, a municipality's organisational PMS must evaluate whether the implementation of such projects had the desired developmental impact. A municipality might, for example, over a period of time have implemented and managed a number of local economic development projects and in doing so met all project related milestones, d-dates and KPIs, yet the projects have failed to make a positive impact in terms of economic growth or creating sustainable new employment opportunities (SALGA, 2001:79-81).

It is an obvious fact that municipalities need constant feedback from customers if they are to improve their operations. The White Paper (SA, 1998b) adds that involving communities in developing municipal KPIs increases the accountability of the municipality. Communities may prioritise the amount of time it takes a municipality to answer a query; others will prioritise the cleanliness of an area or the provision of water to a certain number of households.

Whatever the priorities, by involving communities in setting KPIs and reporting back to communities on performance, accountability is increased, and public trust in the local government system enhanced (SA, 1998b: section 3.3).

This section confirms that the Performance Management System (PMS) is well regulated and standardised across municipalities. The alignment of the IDP, SDBIP and PMS is essential in the successful execution of the strategy. The PMS is, however, just as effective as the quality of the KPIs and targets it measures. This can only be achieved if a credible IDP is developed which is fully cascaded and aligned to the SDBIP, which is again fully aligned to the PMS.

3.6 CHAPTER SUMMARY

This chapter discussed strategy and planning in local government within the South African context. It explained the integrated development planning concept as well as the legal and minimum content requirements of an Integrated Development Plan (IDP). Whilst not legislated, the majority of municipalities developed a long-term vision and strategy referred to as the “*Growth and Development Strategy (GDS)*”. The IDP process plan; the five (5) phases of the IDP; the IDP institutional arrangements; the public participation process and the approval process are discussed.

The Service Delivery and Budget Implementation Plan (SDBIP) is a detailed plan for implementing the municipality’s delivery of services and executing its annual budget. The legal requirements and guidelines of the Performance Management System (PMS) are also discussed and explained. The Batho Pele White Paper (BPWP) provides a policy framework for the transformation of public service delivery and is primarily about improving the efficiency and effectiveness of the way in which services are delivered to the community.

Municipalities in South Africa are well, almost over regulated, in terms of four (4) areas, being: (1) “*Strategy and Planning*”; (2) “*Budgeting and Resource Allocations*”; (3) “*Performance Management*”; and (4) “*Services and Customer Care*”.

The next chapter presents the primary research methodology and the planned approach for this survey. The research design, population, sampling, data collecting methods and the questionnaire design will *inter alia* be discussed.

CHAPTER 4

RESEARCH METHODOLOGY AND DESIGN

4.1 INTRODUCTION

This chapter presents the primary research methodology and the planned approach for this survey.

Research provides a framework of data that can be utilised to deliver useful information. It also provides the knowledge of how to find workable solutions to the problems in an organisation. Business research is the planning, collection and analysis of data relevant to business decision-making and the communication thereof to management (Coldwell & Herbst, 2004: 2).

According to Welman *et al.* (2005:2), research involves the application of various techniques and methods in order to create scientifically based knowledge by using objective procedures and methods.

Coldwell & Herbst (2004:1) define research as a practical activity of which purpose it is to find out things in a systematic manner. They go further by describing research as a process of designing, gathering, analysing and reporting information to uncover opportunities and reduce the risks of decision-making.

Struwig & Stead (2007:2) argue that research should at all times be neutral, impartial and open to new ideas. The findings should therefore be reported truthfully and the knowledge must be shared with everybody interested in the topic.

4.2 LITERATURE STUDY

The purpose of the literature study (chapters 2 and 3) is to explain “*Strategy Execution*” as a concept against which the research results can be benchmarked. As secondary research the literature study forms the basis and background for the primary research.

In accomplishing the aim of this literature study, a wide spectrum of primary and secondary resources was consulted in order to acquire an in-depth understanding of the research problem. The literature included:

- textbooks;
- research papers;
- journal articles;
- dissertations;
- a wide array of electronic databases and Internet sources;
- published papers, periodicals; and
- legislation and government policy documents.

4.3 RESEARCH DESIGN

Wagner *et al.* (2012:21) define research design as an architectural blueprint for the construction of a building which specifies the lay-out and the material required for the project. Research is a process that involves obtaining scientific knowledge by means of various objective methods and procedures. The term objective indicates that these methods and procedures do not rely on personal feelings or opinions (Welman *et al.*, 2005:2).

4.3.1 Qualitative Research

Qualitative research is an unstructured, exploratory research method based on small samples intended to provide insight and understanding of the problem setting. As a general rule, information is considered qualitative in nature if it cannot be analysed by means of mathematical techniques. Qualitative research techniques often have been blamed for not being scientific (Coldwell & Herbst, 2004:13).

Qualitative research, according to Welman *et al.* (2005:7-8) deals with subjective data that are produced by respondents or interviewees. Qualitative data is presented in language instead of numbers.

Qualitative data is not measured in terms of frequency or quantity but rather are examined for in-depth meanings and processes. Qualitative research is not, in the quantitative sense, based on sampling ‘*enough people*’ that will represent the population but instead is interested in sampling participants that will offer meaningful insights into the research problem. A particular group of people that share a common experience will be targeted. This is referred to as purposive sampling (Nicholls, 2008:640).

Qualitative methods, unlike quantitative research, take the researcher’s communication with the field and its members as part of the knowledge instead of deeming it an intervening variable. And the subjectivity of the researcher and those being interviewed and studied becomes part of the research process (Flick, 2006:16).

Qualitative research focuses on understanding the processes and cultural and social contexts that shape behavioural patterns. It aims at creating a logical story as seen and experienced by the participants. This is achieved by utilising various data collecting techniques (interviewing, focus groups, observation and other methods) and seeks insights through structured data analysis which is primarily interpretative, subjective, impressionistic and diagnostic (Wagner *et al.*, 2012:126)

4.3.2 Quantitative Research

Quantitative research employs quantitative measurement and the use of statistical analysis. The overall purpose of this form of research is to obtain information from people in a non-threatening manner in a short period of time (Coldwell & Herbst, 2004:48).

Quantitative research involves the collection of primary data from a large number of participants, frequently with the intention of projecting the results to the larger population. The purpose of quantitative research is to evaluate objective data consisting of numbers (Welman *et al.*, 2005:7-8).

Quantitative research is used in situations where knowledge is available regarding the variables and where researchers can utilise methods to control or measure the variables (Terreblanche *et al.*, 2008:272).

The challenges of quantitative research are that it does not cover the full picture and tends to be impersonal. The format of the questionnaires may bias the responses obtained from respondents. Responses may be quick and not well considered (Coldwell & Herbst, 2004:48).

4.4 DATA COLLECTION METHODS

There are various data-collection methods available and it is important to consider the overall purpose, advantages and challenges applicable to the different methods before finally deciding on the most appropriate data collection method. Table 4.1 (Coldwell & Herbst, 2004:48) briefly lists the data collection methods and the overall purpose of every method. The advantages and challenges of every method are also compared.

Table 4.1: Basic Methods of Data Collection

Method	Overall Purpose	Advantages	Challenges
Questionnaires	<i>To obtain information quickly and/or easily from people in a non-threatening manner.</i>	<i>Can be completed anonymously. Inexpensive to administer.</i> <i>Easy to compare and analyse.</i> <i>Can be administered to many people.</i> <i>Can get lots of data. Many sample questionnaires already exist.</i>	<i>Might not get careful feedback.</i> <i>Can bias client's responses.</i> <i>Are impersonal.</i> <i>In surveys, may need sampling experts.</i> <i>Full story is not revealed.</i>
Interviews	<i>When you want to fully understand someone's impressions or experiences, or learn more about their answers to a questionnaire.</i>	<i>Get full range and depth of information.</i> <i>Develop relationship with client.</i>	<i>Can be flexible and can take a lot of time.</i> <i>Can be hard to analyse and compare.</i> <i>Can be costly.</i> <i>Interviewer can bias client's responses.</i>
Observation	<i>To gather accurate information about how a program actually operates, particularly with regard to processes.</i>	<i>View operations of a program as it actually occur.</i> <i>Can adapt to events as they are.</i>	<i>Can be difficult to interpret.</i> <i>Can be difficult to categorise observations.</i> <i>Can influence the behaviours of program participants.</i>
Focus Groups	<i>To explore a topic in depth through group discussions, e.g. about reactions to an experience or suggestion, understanding common complaints, and more. Useful in evaluation and marketing.</i>	<i>Quickly and reliable.</i> <i>Get common impressions.</i> <i>Can be efficient way to get much range and depth of information in a short time.</i> <i>Can convey key information about programs.</i>	<i>Can be hard to analyse responses.</i> <i>Need good facilitator for rapport and closure.</i> <i>Difficult to schedule 6-8 people together.</i>

Method	Overall Purpose	Advantages	Challenges
Case Studies	<i>To fully understand or depict the client's experiences in a program and conduct comprehensive examination through cross-comparison of cases.</i>	<i>Fully depicts client's experience in program input, process and results. Powerful means to portray program to outsiders.</i>	<i>Usually quite time consuming to collect, organise and describe. Represents depth of information, rather than breadth.</i>

Source: Adapted from Coldwell & Herbst (2004: 48)

Sekaran & Bougie (2010:185) are of the view that the three (3) main data collecting methods are:

- interviewing – face-to-face, telephone interviews, computer assisted interviews and interviews through the electronic media;
- questionnaires – personally administered, mailed, or electronically administered; and
- observation of individuals and events with or without audio or video recording.

After weighing up the advantages and challenges of the data gathering methods listed above, it was decided to personally administer the questionnaires as the main data-gathering method for this study.

4.5 SURVEY RESEARCH

Survey research is one of the most common quantitative methods of research and aims to provide a broad overview of a representative sample of a large population. The researcher selects a sample of respondents from a population and utilizes a questionnaire to collect the required data. The questionnaire can be completed telephonically, face-to face or on-line (Hofstee, 2006:122; Mouton, 2009:152).

According to Neuman (2010:35) survey research techniques are often used in descriptive or explanatory research. A survey researcher asks participants questions in a written questionnaire or during an interview and then records answers.

Fink (2009:63) highlighted the following tips when conducting a survey:

- only use surveys when you are fairly certain that the respondents are interested in the topic;
- keep survey responses confidential or anonymous;
- anticipate in advance the proportion of respondents that may participate due to the survey circumstances;
- inform participants how the data will be used;
- be precise in describing how privacy will be protected;
- know your respondents and make sure the questions are understandable;
- use trained staff to conduct the survey; and
- identify a larger of eligible participants than what you need.

According to Neuman (2010:35) an explanatory survey is a form of causal-comparative research. It goes beyond merely describing the variables; it attempts to determine whether the variables of interest co vary and/or under what conditions they co vary. The explanatory survey seeks to explain attitudes and behaviour on the basis of data gathered at a specific point in time. An explanatory survey usually begins with a hypothesis that directs the data gathering. Descriptive surveys focus on determining the status of a defined population with respect to certain variables. It basically enquires into the status quo; it attempts to measure what exists without questioning why it exists.

4.6 QUESTIONNAIRES

4.6.1 Data Collecting Instrument

According to Sekaran & Bougie (2010:196), a questionnaire is a pre-formulated written set of questions to which respondents record their answers. Questionnaires are an efficient data collection method when the researcher knows exactly what is required and how to measure the relevant variables. It could be administered telephonically, personally, mailed to, or electronically distributed to respondents. Wherever possible, questionnaires are best administered personally to groups of targeted respondents.

The questionnaire is appropriate for data collection when a large survey is to be undertaken, or where the target survey group is geographically spread (Welman *et al.*, 2005:10-12).

A questionnaire is usually pre-tested by administering it to pilot study to determine its usefulness and reliability and to ensure that the questions are understood (Wagner *et al.*, 2012:104).

The researcher must before developing a questionnaire be clear as to exactly what is being studied and what is expected from the study. The research problem and objectives must be clearly defined and research questions agreed upon (Hair *et al.*, 2011:252).

4.6.2 Design and Structure

The questionnaire has to be accompanied by a covering letter as a source of information to the respondents. The structure of the questionnaire should meet certain requirements (Jankowicz, 2004:287; Seaman, 2005:25; Sekaran & Bougie, 2010:205; Hair *et al.*, 2011:249-252; Wagner *et al.*, 2012:103):

- neat appearance;

- a proper introduction that clearly conveys the purpose of the survey;
- a statement of purpose of the questionnaire;
- the questionnaire should contain brief and clear instructions;
- questionnaires should not be too long;
- questionnaires must provide adequate information;
- questionnaires should be interesting;
- questionnaires should be structured in a meaningful way so that they are simple to complete;
- statements on the questionnaires and the pages should be arranged numerically;
- be designed to maintain interest
- start with questions that are easy to answer;
- proceed from general to specific questions;
- ask personal or sensitive questions last;
- avoid subject-related or technical jargon;
- employ the respondent's vocabulary; and
- minimise the number of questions to avoid respondent fatigue; and
- an expression of gratitude in anticipation.

The following are guidelines for asking questions:

- make it clear;
- avoid double-barrelled questions;
- avoid leading questions;
- avoid ambiguous questions;
- respondents must be competent to answer;
- respondents must be willing to answer;
- questions should be relevant;
- short questions are best;
- phrase questions positively but include a couple of negatively worded questions as well; and

- avoid biased questions and terms (Seaman, 2005:24; Sekaran & Bougie, 2010:200; Hair *et al.*, 2011:249-252; Wagner *et al.*, 2012:103).

Seaman (2005:23) makes the observation that the term questionnaire suggests a collection of questions but that the examination of a typical questionnaire will probably reveal as many statements as questions. A respondent can be asked whether they agree or disagree with a statement in a case where perspective is summarised in a fairly brief statement. Seaman (2005:23) states that both statements and questions can be used in a questionnaire.

4.6.3 Structured Questionnaires

The use of structured questionnaires as a research method has advantages and disadvantages.

- Advantages:
 - respondents can complete the questionnaires easily and quickly;
 - the answers of the respondents are simple to compare;
 - respondents are more willing to answer more sensitive questions in this manner;
 - irrelevant and confusing answers to questions are mostly excluded;
 - repetition is easier to prevent;
 - a large group of people may be reached more easily;
 - respondents may remain anonymous;
 - the researcher can hand questionnaires directly to respondents or mail questionnaires to them with instructions;
 - questionnaires are more reliable as a measuring instrument than colloquiums as the personal judgment of the researcher is eliminated;
 - respondents can complete questionnaires when it suits them;
 - it is relatively easier to plan, compile and administer;

- instructions are usually standardised and respondents know exactly what is expected of them; and
 - objective opinions can be obtained because personal contact is minimised. (Churton, 2000:199-200).
- Disadvantages:
- wrong ideas that do not actually exist among respondents might be proposed in the questionnaire;
 - respondents with no knowledge regarding a particular topic answer questions instinctively;
 - the respondents may become frustrated when the answer they would like to give is not one of the choices;
 - a large variety of response choices may sometimes be confusing;
 - respondents may be forced to make choices they will not normally make in practice;
 - various respondents may interpret questions differently;
 - the length of the questionnaire may give rise to inaccurate responses;
 - the researcher cannot visually observe the reaction of respondents to questions;
 - various questions may be understood incorrectly; and
 - the clarity of the questions is difficult to determine (Churton, 2000:199-200).

4.6.4 Open-ended and Closed Questions

- Open-ended Questions. An open-ended question is one where the range of possible answers is not suggested in the question and respondents are expected to answer in their own words. An open-ended question may expect a short answer. An example of an open-ended question is asking the respondent to name five matters that are challenging in the job. Another example is to invite comments on the investment portfolio of the firm. Open-ended questions always seek a spontaneous response (Sekaran & Bougie, 2010:200; Wagner *et al.*, 2012:108).

- *Closed Questions.* A closed question assists the respondents to choose among provided alternatives. The researcher might list ten (10) matters that are challenging in jobs and ask the respondents to rank the first five (5) among these in order of preference. All questions utilising nominal, ordinal, Likert, or ratio scale are considered closed. Any question that simply requires the answer 'yes' or 'no' is a closed question, and not helpful in opening up a conversation. This is due to the fact that there is usually a predictable small set of answers to a closed question that the respondent can give. In a research interview, closed questions will also include questions where the respondent is asked to choose from a number of alternative answers (Reja *et al.*, 2003:60; Sekaran & Bougie, 2010:200; Wagner *et al.*, 2012:108).

4.7 RESEARCH DESIGN FOR THE SURVEY

After careful consideration of the various research approaches, it was decided to utilise quantitative research, which is exploratory in nature, as the primary data collection method for the purpose of this survey. The literature study (chapters 2 and 3) forms the secondary research and studied relevant literature, articles, legislation and textbooks.

4.7.1 Structured Questionnaire

For the purpose of this study a quantitative research approach utilising a structured questionnaire with closed questions was chosen as the preferred tool and method to answer the research question and to arrive at the expected results. This approach provides opportunities to gain insight into the discipline of strategy execution in a yet undocumented context.

The structured questionnaire was drafted from the concepts, classifications and different execution frameworks that were discussed in the literature study. The purpose of the

questionnaire was to establish the municipality's current state and ability to execute strategies. "*Strategy Execution*" in this questionnaire refers to the execution or implementation of strategies, plans and policies of the municipality. The questionnaire was handed out at the survey sessions (see paragraph 4.12.5). The participants were willing to be honest as their anonymity was assured (Salkind, 2007:138). The questionnaire posed the questions (statements) on a four-point Likert Scale with a fifth "*Don't Know*" option. The participants had to consider the following options in responding to each statement:

- "*Strongly Agree*" (1);
- "*Somewhat Agree*" (2);
- "*Somewhat Disagree*" (3);
- "*Strongly Disagree*" (4); and
- "*Don't Know*" (5).

4.7.2 Descriptive Statistics

Descriptive statistics comprises a number of statistical methods which is used to organise, describe and characterise collected data (Pietersen & Maree, 2007:183). Descriptive statistics consists of, for example, means, standard deviations, frequencies and percentages and enables the researchers to describe the data in a meaningful manner (Creswell, 2009:152).

The general information in this survey with regards to management levels, number of participants per municipality and highest qualifications of participants were reported in the form of frequencies and percentages.

4.7.3 Validity

The validity of data measuring is crucial to scientific research. Validity refers to the potential of a design or an instrument to achieve or to measure what is supposed to be

achieved or measured. Validity is concerned with the data collection procedures and measures (Sekaran & Bougie, 2010:158; Wagner *et al.*, 2012:81).

- Content Validity. Content validity usually refers to the correctness and appropriateness of the questions included in a test or questionnaire (De Vos *et al.*, 2010:163). It is advisable to test the correctness, relevance and lucidity of the questions in a pilot investigation. Duplication of questions can thus be avoided. The results of a pilot investigation will also help determine whether or not the questions included are relevant to the research problem (Sekaran & Bougie, 2010:158; Msweli, 2011:62; Wagner *et al.*, 2012:81).
- Construct Validity. Construct validity is a measurement technique that has high validity if it uncovers the information, which it was designed to uncover. It testifies to how well the results obtained from the use of the instrument fit the theories around which the test is designed (Welman *et al.*, 2005:142; Sekaran & Bougie, 2010:160).

Based on the literature and strategy execution framework study in chapter 2, the following enablers were identified to be researched in order to understand the state of strategy execution in the twelve (12) Gauteng municipalities:

- *“Strategy and Planning”*;
- *“Leadership and Management”*;
- *“Organisation, People and Skills”*;
- *“Policies, Processes and Procedures”*;
- *“Systems and Technology”*;
- *“Resources and Budgeting”*;
- *“Performance Management”*; and the
- Ultimate outcome: *“Services and Customer Care”*.

The important elements as identified in chapter 3 (strategy and planning in local government), the literature study and the various strategy execution frameworks

(par. 2.3; par. 2.4), were used to formulate the questions/statements (variables). During the design stage various draft questionnaires were developed in an effort to address the problem statement and main objectives of this research study. The design and development of the final questionnaire was achieved in collaboration with the North-West University's (Potchefstroom Campus) Statistical Consultation Services.

Exploratory factor analysis was used to identify the structure and factors of each enabler and through this process the structural validity of the survey was also determined. The purpose of a factor analysis is to determine which statements (items) belong together due to the fact that it measures the same factor (Pietersen & Maree, 2007:219).

There are a number of important matters to consider when a factor analysis is considered:

- *Sample Size.* According to Tabachnick & Fidell (2013:613), it is preferable to have at least 300 cases (questionnaires) for a factor analysis. In this study 379 responses were obtained, which is "good" according to this criteria. The sample size was thus sufficient according to this criterion. The *Kaiser-Meyer-Olkin (KMO)* Measure of Sampling Adequacy can also be used to determine whether enough data is available for a factor analysis. The larger the KMO value, the more appropriate it is to perform a factor analysis for the particular sample size. However, the factor analysis is likely to be inappropriate for values smaller than 0.5, and should lead towards either collecting more data or re-considering which statements (variable) to include. KMO values between 0.5 and 0.7 are mediocre, values between 0.7 and 0.8 are good, values between 0.8 and 0.9 are great and values above 0.9 are superb (Field, 2009:647). KMO values will be reported for each enabler in the next chapter.

- *Intercorrelation between Variables.* According to Field (2009:647), the first thing to do when conducting a factor analysis is to investigate the intercorrelation between the statements (variables). Intercorrelations should be present, but not too high. To determine whether sufficient intercorrelation is present, Bartlett's test of sphericity is conducted. Small p-values on Bartlett's test reject the null hypothesis that the correlation matrix represents an identity matrix and thus shows that variables are correlated with each other. The *Determinant of Correlation Matrix*^a can be used to determine whether multicollinearity is not too high, which could cause problems in determining the unique contribution of highly correlated variables to a factor.

The determinant should be greater than (>) 0.00001, and if not, it points towards extreme multicollinearity in the data. Another approach to checking whether intercorrelations are sufficient but not too high is to consider the correlations in the correlations matrix, The correlation between statements should preferably be of a value greater than 0.3. If any variable is found with a correlation coefficient greater than 0.9, it is possible that a problem could arise due to multicollinearity in the data (Field, 2009:657).

- *Number of Factors Extracted.* Different criteria exist to determine how many factors would be extracted. One criterion is that a considerable proportion of the variance should be explained by the extracted factors. Kaiser (1960) recommended that all factors with eigenvalues greater than 1 should be retained (Field, 2009:640). Furthermore it is important that the factors should make theoretical sense. In this study we consider a proportion variance explained of 50% to be good.
- *Method of Extraction and Rotation.* *Principal Axis Factoring* as factor extraction method with *Oblimin Rotation* (a form of oblique rotation) was used in this study and factor loadings with values larger than 0.3 were considered substantial (Field, 2009: 636). The rotated pattern matrix was explored for each section to

determine which items loaded highly on a factor and these items were then used to label factors. If the items that loaded high on a factor showed sufficient internal consistency and reliability (see discussion of reliability later), their mean was calculated as the factor score.

- *Communalities*. The proportion of common variance present in a variable is known as the communality. A variable that has no specific variance (or random variance) would have a communality of 1; whilst a variable that shares none of its variance with any other variable would have a communality of 0 (Field, 2009:637). The communalities, i.e. the percentage of each statement's variance explained by the common factors, are important and should preferably be larger than 0.3 (Hair *et al.*, 1998).
- *Correlations between extracted factors*. Since oblique rotation was applied in this study, factors were allowed to correlate after rotation. Pearson correlation coefficients can be considered effect sizes and can be interpreted as follows:
 - $r = \pm 0.1$ small effect;
 - $r = \pm 0.3$ medium effect; and
 - $r = \pm 0.5$ large effect (Field, 2009: 170-171).
- Face Validity. Face validity is concerned with the way the instrument appears to the participants. For example, they view it as so simple, childish and boring that they experience it as an insult to their intellect, or does it appear so difficult that participants give up even before starting? Face validity is therefore based on the subjective judgement of the researcher and the respondents for whom a specific instrument is intended (Pietersen & Maree, 2007:217). The face of the questionnaire was validated during the pilot study during which the participants were requested to comment on how clear, relevant and understandable the statements (questions) were in terms of content, format and language. The questionnaire was well received and the feedback from the pilot participants was positive.

4.7.4 Reliability

Reliability pertains to the accuracy and consistency of measures (Pietersen & Maree, 2007:13; Wagner *et al.*, 2012: 80). The same instrument must be able to produce the same data at a later stage under similar conditions, for instance, by means of a test-retest (Kerlinger & Lee, 2000:656). Seaman (2005: 12) explains that reliability is the extent to which the collected scores are generalized to different measuring occasions, measurement, tests forms and measurement/test administrators. In this study the internal consistency reliability of the factors was explored.

In order to determine the internal consistency reliability of the factors, *Cronbach's Alpha Coefficients* were calculated for each factor. This is one method of estimating the reliability and internal consistency among the statements (Pietersen & Maree, 2007:216; Field, 2009:675; Sekaran & Bougie, 2010:162). The Cronbach's Alpha should preferably be above 0.7 (Field, 2009:675).

Cortina (1993, in Field, 2009:675) states that the Cronbach's Alpha is to a large extent dependable on the number of statements (items) in the factor and the larger the number of statements the larger the possibility that the Cronbach's Alpha will be higher. It is thus possible to get a large Cronbach's Alpha due to a lot of statements and not because the factor is reliable. On the other hand, a small number of statements could cause a lower Cronbach's Alpha (Field, 2009:675).

The relevant detail of the factor analysis per enabler will be discussed in detail in Chapter 5.

4.7.5 Target Population

The population refers to the entire group of people, events, or things of interest that the researcher wishes to investigate. Sampling begins with defining the target population (Sekaran & Bougie, 2010:262 & 266). According to Msweli (2011:63), the target

population is a group of individuals or entities about whom you wish to generalise the results of the study.

The target population of this study comprised all the senior and middle managers in the Metropolitan, District and Local Municipalities within the Gauteng Province:

- Johannesburg Metropolitan Municipality;
- Tshwane Metropolitan Municipality;
- Ekurhuleni Metropolitan Municipality;
- Sedibeng District Municipality;
- Midvaal Local Municipality;
- Lesedi Local Municipality;
- Emfuleni Local Municipality;
- West Rand District Municipality;
- Mogale City Local Municipality;
- Merafong Local Municipality;
- Randfontein Local Municipality; and
- Westonaria Local Municipality.

The survey targeted the following role-players in each municipality and formed the target population:

- Top management which will include the Municipal Manager, Chief Finance Officer, Chief Information Officer, Chief Audit Executive, IDP Manager and heads of departments responsible for operational execution (*a minimum of 12 per Metropolitan Municipality and 8 per District and Local Municipality respectively*);
- Middle management which will include the regional managers, customer care managers and divisional heads reporting to the heads of departments (*a minimum of 25 per Metropolitan Municipality and 16 per District and Local Municipality respectively*); and

- Organised Labour which may include the shop stewards of the two (2) largest unions in the municipality and members of the Local Labour Forum (*a minimum of 2 per union*).

The targeted population consisted of those senior and middle managers responsible for strategy formulation and planning, execution and service delivery as well as two union leaders (shop stewards) representing the two largest unions per municipality. The target population comprised 351 targeted participants.

4.7.6 Sampling

According to Sekaran & Bougie (2010:263) a sample is a subgroup or subset of the population and comprises members selected from it. By studying the sample the researcher should be able to draw conclusions that will represent the population.

Researchers must first decide on the precision they want or the extent of error that they are willing to allow before deciding on an adequate sample size. The extent of error is also referred to as the standard error (Singh, 2007:115).

Msweli (2011:64) argues that the quality of research will be evaluated by the extent to which the sample accurately reflects the characteristics of the true population. In quantitative research it is important to select a sample that will best represent the characteristics of the population (Wagner *et al.*, 2012:87).

Tabachnick & Fidell (2013:613) point out that it is preferable to have at least 300 cases (questionnaires) for a factor analysis. The *Kaiser-Meyer-Olkin (KMO)* measures the sampling adequacy and whether enough data is available for a factor analysis (Field, 2009:647). The KMO measure of sampling adequacy is discussed in detail in paragraph 4.7.5 above.

To ensure sampling adequacy it was decided to use the entire target population as the study sample. All Metropolitan, District and Local Municipalities and the targeted role-players within the Gauteng Province formed part of the survey.

4.7.7 Pilot Survey

The purpose of a pilot survey on a limited number of subjects from the same population as for which the eventual project is intended is to:

- detect possible flaws in the measurement procedures and in the operationalisation of the independent variables;
- identify unclear or ambiguously formulated statements;
- allow researchers or their assistants to notice non-verbal behaviour that possibly may signify discomfort or embarrassment about the content or wording of the questions (at the same time), and
- allows for improvements to the questionnaire should it be necessary (Seaman (2005:13; Hair *et al.*, 2011:267).

Seaman (2005:14–17) highlights the fact that pre-testing may be repeated several times to refine questions, instruments or procedures and sees the purpose of pre-testing as follows:

- to assist with the transformation of questions;
- to make sure that questions read effortlessly and flow from one to another and from one section to another;
- assisting with the stimulation of questions and can only be determined by testing; and
- assisting with the length and timing of questions because most draft questionnaires suffer from lengthiness and by timing each question and section puts the researcher in a better position to make decisions about modifying or cutting out material (Hair *et al.*, 2011:267-268).

A pilot survey was conducted in the Govan Mbeki Local Municipality (Mpumalanga Province) which did not form part of the targeted population. The senior and middle

management as well as members of organised labour (n = 33) participated. All the participants were invited by the municipal manager and the survey was conducted in the Govan Mbeki Executive Committee Room on the same day in one (1) session. The session was guided and facilitated by the author and supported by two (2) senior managers of PricewaterhouseCoopers (PwC).

The purpose of the pilot survey was primarily to establish whether the questionnaire was relevant, clear and understandable in terms of the enablers and statements and to test the content and construct validity (Reja *et al.*, 2003:60).

The respondents were requested to provide feedback in writing and verbally. A total of 33 questionnaires were handed out and received back (100%). No serious problem or challenge was experienced. The questionnaire was well received by the participants and it took on average between 25 – 35 minutes to complete. The participants indicated that the questions were clear and relevant to the enablers and expressed their eagerness to receive the final researched and interpreted results.

The only point raised and requested to be clarified was the “management levels” under section 1.1 (*“Please indicate your management level in the municipality”*). It was proposed by the respondents that the relevant posts/positions be added in each management level category. This point was clarified during the pilot survey and the proposal was accommodated in the final questionnaire.

4.7.8 Limitations of the Survey

Limitations of the survey included the following:

- members of the top management team of municipalities could have viewed the survey as an audit and/or investigation on how they are performing and the possibility exists that they did not answer all the questions in a frank and open manner; and

- the availability of literature and sources with regards to strategy and planning for local government in South Africa, is very limited. The available resources are primarily legislation, regulations, white papers and publications developed and issued by state departments and the South African Local Government Association (SALGA).

4.7.9 Data Collection Process

The Member of the Executive Committee (MEC) of the Gauteng Provincial Government responsible for the Department for Local Government, Mr. H.M.Z Mmemezi, was approached to support the survey based on the benefits that the results would have for his department as well for the participating municipalities.

The MEC gave his support and fully condoned the survey in the form of a letter signed and approved by him (see annexure “B”). This contributed largely to the success and excellent support and cooperation received by the participating municipalities and its management.

Three (3) PwC managers were used to assist the author with the distribution and gathering of the questionnaire data. A cover letter explaining the purpose of the survey and emphasizing the fact that the survey is anonymous, accompanied the questionnaire.

To protect the identity of the participants the questionnaires were completed anonymously and placed in a sealed and unmarked envelope. A sealed box per municipality (clearly marked) was used to place the completed questionnaires into.

The process that was followed at each Gauteng municipality was to arrange with the Municipal Manager’s Office (MMO) for a suitable date, venue and setting up a survey session where the targeted participants (paragraph 4.7.5) were invited by the MMO. In the majority of cases the full complement of targeted participants attended the session.

In the case of three (3) municipalities it was necessary to arrange for a second follow-up session as to ensure that all the targeted participants were given the opportunity to complete the questionnaire.

At each session the participants were informed that the survey and completion of questionnaires are anonymous. Every participant received a questionnaire and an unmarked envelope. After completion each questionnaire was placed in an envelope and sealed. The PwC managers then collected the envelopes in the presence of all the participants and placed it into the sealed boxes.

The target population consisted of 412 people. A total of 379 completed questionnaires were collected which constitutes a 90.2% response rate. The 379 respondents who responded formed the study population.

4.8 CHAPTER SUMMARY

This chapter discussed various research and data collection methods. Questionnaires as data collection method were reviewed in terms of the design and structure; the advantages and disadvantages of structured questionnaires; and open and closed questions. The quantitative research design for the survey was described in terms of the structured questionnaire; descriptive statistics; validity; factor analysis; reliability; sample; pilot survey; limitations of the survey; and the process followed to collect the data.

There was not an available questionnaire that could be used 'as-is' to collect the strategy execution data from municipalities. The questionnaire used in this survey was developed in terms of the seven (7) enablers as proposed at the end of the literature study (chapters 2 and 3). For purposes of this study, "*Services and Customer Care*" will be treated as the ultimate objective and outcome of the strategy execution process in municipalities. It will thus form part of the questionnaire and the purpose will be to

establish the state of “*Services and Customer Care*” within the Gauteng municipalities (chapter 2 – par. 2.5).

The statements for each enabler were developed to be relevant to local government in South Africa. The discussions and content of both chapters 2 and 3 were used for this purpose.

The purpose of the next chapter is to present, discuss and interpret the data which was collected.

CHAPTER 5

INTERPRETATION OF RESULTS

5.1 INTRODUCTION

The purpose of chapter 4 was to describe the research design and methodology that was followed in this survey. It was decided to utilize quantitative research, which is exploratory in nature, as the primary data collection method. The questionnaire as data collection instrument and the development thereof was discussed in detail. The pilot study that was used to confirm the understandability of the content was discussed as well as the statistical procedures that were utilized to ensure relevancy and validity of the questionnaire. Chapter 4 also covered the statistical techniques that were used to analyse the collected data. The survey population as well as the sample (study population) was also discussed in detail.

The purpose of this chapter is to discuss and to interpret the data which was collected. A total of 379 questionnaires (cases) were completed which is higher than the minimum sample size of 300 recommended by Tabachnick & Fidell (2013: 613) required for exploratory factor analysis.

The statistical analysis for this survey was performed by the Statistical Consultation Services of the North-West University using the Statistical Package for the Social Sciences (IBM SPSS Statistics 20).

5.2 ANALYSIS OF COLLECTED DATA

5.2.1 Descriptive Statistics and Frequency Analysis

The frequency analysis for each enabler was calculated and reported on per statement as a percentage (%) and covered “*Strongly Agree*” (1); “*Somewhat Agree*” (2); “*Somewhat Disagree*” (3); “*Strongly Disagree*” (4); and “*Don’t Know*” (5).

The descriptive statistics were calculated and reported per statement as:

- number of missing answers;
- mean; and
- standard deviation.

The “*Don’t Know*” (5) answers were not used in the calculation of the statements’ means and standard deviations. The benchmark answer (ideal) is marked (filled with grey) in the frequencies and descriptive statistics tables. The benchmark answer is “*Strongly Agree*” (1) for most statements, except for a small number of reversed statements where it is “*Strongly Disagree*” (4). The response scale ranged from 1 to 4 and the centre point is 2.5.

Results of “*Strongly Agree*” (1) and “*Somewhat Agree*” (2) are below the centre point and results of “*Somewhat Disagree*” (3) and “*Strongly Disagree*” (4) are above the centre point.

A statement with a mean larger than 2.5 (or smaller than 2.5, in the case of a reversed statement), is an indication that respondents tended to disagree with the statement. This could point towards a problem area.

For the purpose of this study, statements with mean values above the centre point (2.5) or below the centre point in the case of reversed statements, will be identified and discussed as problem areas.

In this chapter the frequency analysis (percentages) and descriptive statistics (mean and standard deviation) will be reported and discussed per statement as part of the results interpretation of each enabler.

5.2.2 Structural Validity

The detail of structural validity was discussed in chapter 4. The following were measured and the results are reported and discussed for each enabler as part of this chapter:

- The KMO Measure of Sampling Adequacy;
- P-Value of Bartlett's Test of Sphericity;
- The Determinant of Correlation Matrix;
- The percentage (%) of variance explained by the extracted factors;
- Communalities; and
- Factor Loadings.

5.2.3 Reliability

Reliability was discussed in detail in chapter 4. In order to determine the internal consistency reliability of the factors, Cronbach's Alpha Coefficients were calculated for each factor and will be discussed as part of the interpretation of each enabler's results. The Cronbach's Alpha should preferably be above 0.7 (Field, 2009:675).

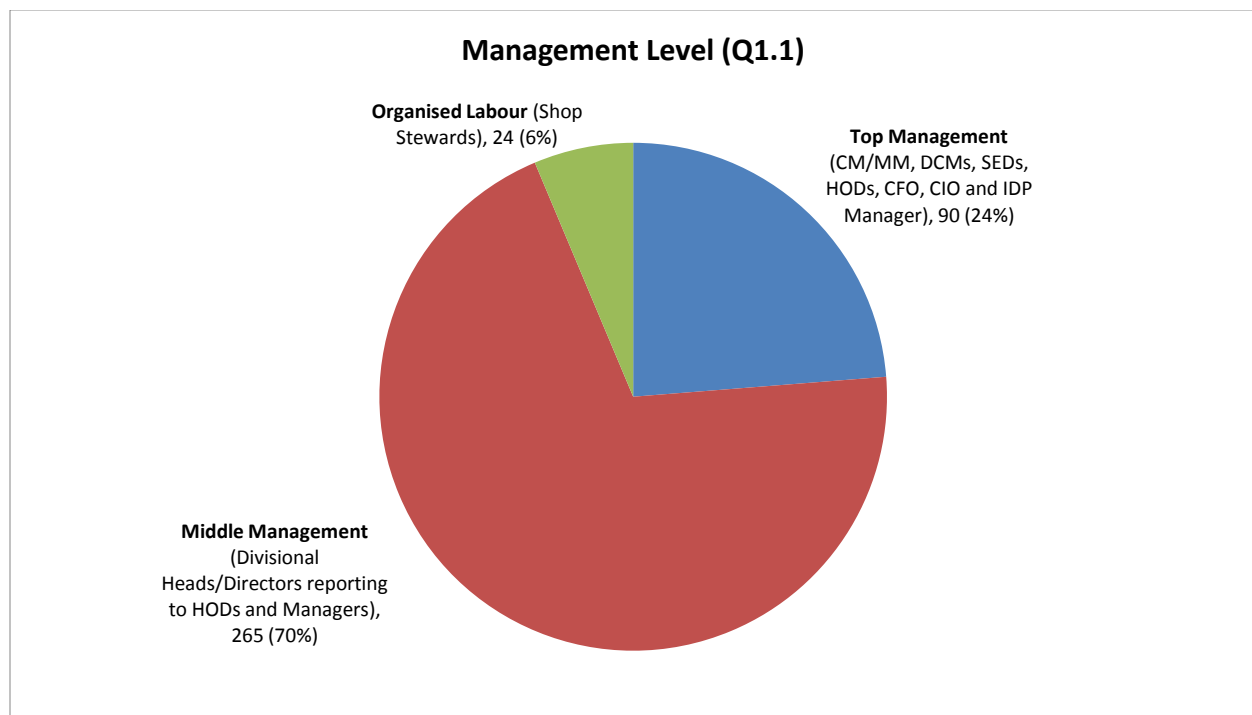
5.3 GENERAL INFORMATION

This section of the survey refers to the general information regarding the participating municipalities and the individual survey participants (see Appendix A: Section 1).

5.3.1 Management Levels

A total of 379 individuals participated in the survey of which 355 (94%) were representing Top and Middle management. Organised Labour was represented by 24 (6%) shop stewards who are members of the two (2) dominant local government labour unions – IMATU and SAMWU. Top management was represented by 90 managers (24%) and middle management by 265 managers (70%). The details are indicated in figure 5.1 below.

Figure 5.1: Frequencies: Management Levels

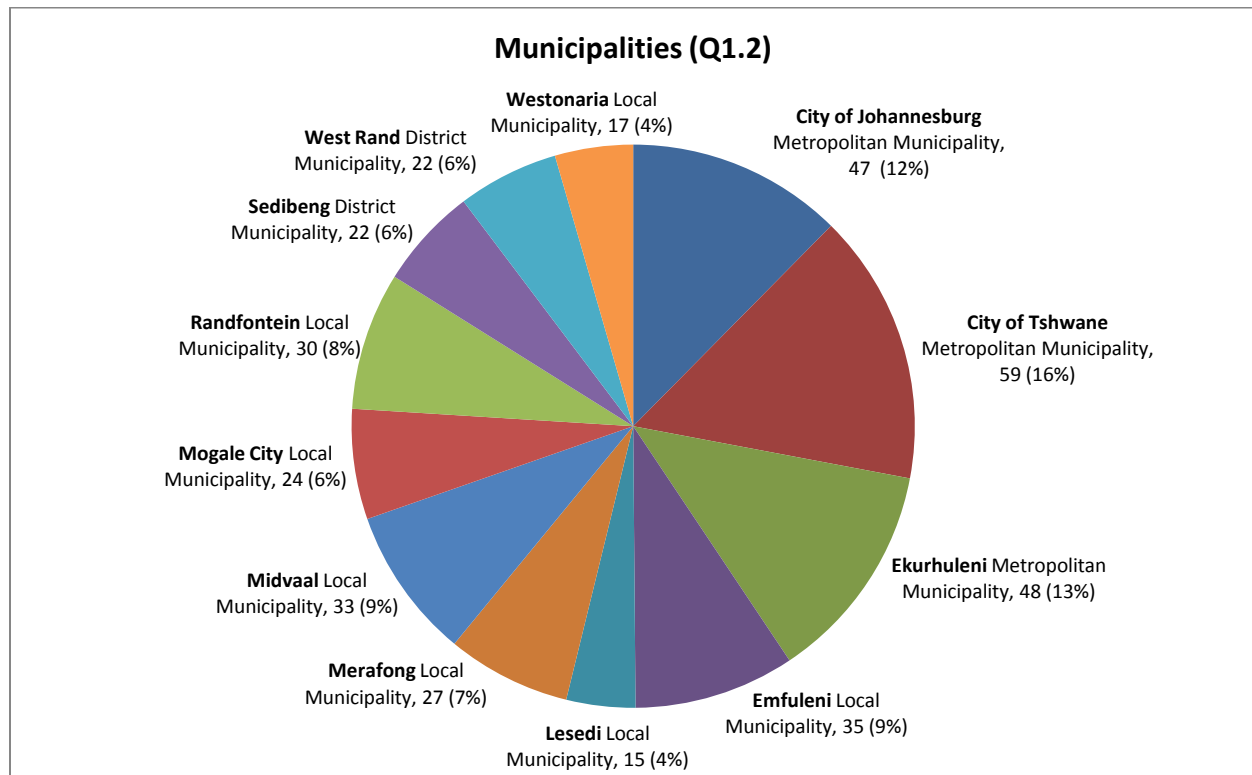


It was important for the purpose of this survey to include the complete top management team but to ensure that the majority of participants are from the middle management group. This is due to the fact that middle managers in municipalities are primarily involved and responsible for strategy execution at an operational level.

5.3.2 Participating Municipalities

A total of twelve (12) municipalities (all the municipalities in the Gauteng Province) participated in the survey.

Figure 5.2: Frequencies: Participating Municipalities



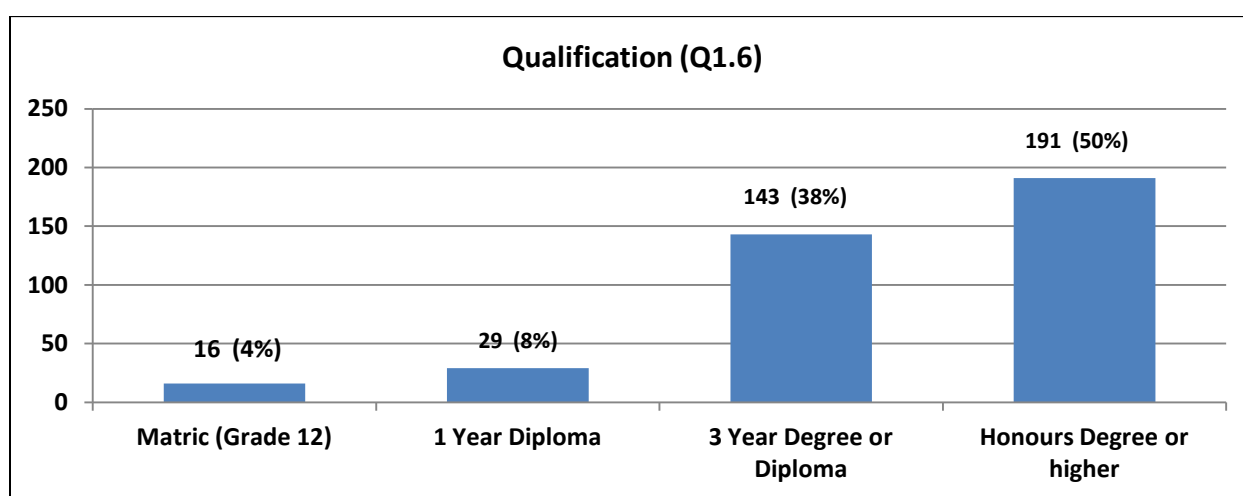
The survey included the entire population of Metropolitan, District and Local Municipalities within the Gauteng Province – a total of 12 municipalities. The number and percentage (%) of participants per municipality were recorded as follows:

- Johannesburg Metropolitan Municipality - 47 (12%);
- Tshwane Metropolitan Municipality - 59 (16%);
- Ekurhuleni Metropolitan Municipality - 48 (13%);
- Sedibeng District Municipality - 22 (5.8%);
- Midvaal Local Municipality - 33 (8.7%);
- Lesedi Local Municipality - 15 (4%);
- Emfuleni Local Municipality - 35 (9.2%);

- West Rand District Municipality - 22 (5.8%);
- Mogale City Local Municipality - 24 (6.3%);
- Merafong Local Municipality - 27 (7.1%);
- Randfontein Local Municipality - 30 (7.9%); and
- Westonaria Local Municipality - 17 (4.55%).

5.3.3 Highest Qualification of the Participants

Histogram 5.1: Frequencies: Highest Qualification of the Participants



The results of the question regarding the “highest qualification” of the participants were as follows:

- 191 (50%) of the participants recorded their highest qualification as a honours degree or higher;
- 143 (38%) of the participants recorded their highest qualification as a 3-year degree or diploma;
- 29 (8%) of the participants recorded their highest qualification as a one (1) year diploma; and
- 16 (4%) of the participants recorded their highest qualification as matric (grade 12).

These results clearly demonstrate that the participants are well qualified with the majority (88%) holding at least a three (3) year degree or diploma.

5.4 STRATEGY AND PLANNING

5.4.1 Frequencies and Descriptive Statistics

The frequency and descriptive statistical results of the “*Strategy and Planning*” enabler are reported in Table 5.1 below.

Table 5.1: Frequencies and Descriptive Statistics

Statement Q2.1	Strategy and Planning Statements	Strongly Agree %	Somewhat Agree %	Somewhat Disagree %	Strongly Disagree %	Don't Know %	Number Missing	Mean	Standard Deviation
		1	2	3	4	5			
1	A Growth and Development Strategy (GDS) has been approved by the Council.	52.5	20.3	3.2	8.2	15.8	0	1.61	0.95
2	The Growth and Development Strategy (GDS) is <u>fully</u> aligned to the political mandate (Outcome 9, Manifesto, and more).	31.4	30.9	9.5	9.5	18.7	0	1.96	0.99
3	The political mandate (Outcome 9, Manifesto, and more) is translated into policy directives.	30.9	34.6	11.3	5.3	17.9	0	1.89	0.87
4	A 5-Year Integrated Development Plan (IDP) has been approved by the Council.	83.1	9.0	1.3	2.9	3.7	0	1.21	0.61
5	The 5-Year IDP and the Growth and Development Strategy (GDS) are <u>fully</u> aligned.	37.7	31.4	12.4	7.7	10.8	0	1.89	0.95
6	The 5-Year IDP and the annual SDBIP are <u>fully</u> aligned.	51.5	28.2	9.0	5.0	6.3	0	1.65	0.86
7	Lekgotlas are annually scheduled <u>before</u> the start of the planning processes (IDP, budget and SDBIP).	59.1	20.3	9.2	5.0	6.3	0	1.57	0.87
8	The municipality utilizes external advisory boards (NGOs, universities, experts, and more) to advise on certain specialised matters.	33.2	33.8	14.0	10.3	8.7	0	2.01	0.99
9	Management <u>at all levels</u> participated in the formulation of the Growth and Development Strategy (GDS).	27.2	24.5	17.9	19.0	11.3	0	2.32	1.12

Table 5.1: Frequencies and Descriptive Statistics (Continued)

Statement Q2.1	Strategy and Planning Statements	Strongly Agree %	Somewhat Agree %	Somewhat Disagree %	Strongly Disagree %	Don't Know %	Number Missing	Mean	Standard Deviation
		1	2	3	4	5			
10	Management <u>at all levels</u> participated in the formulation of the 5-Year IDP.	54.1	25.9	7.7	8.2	4.2	0	1.69	0.94
11	Risks are planned for in the Growth and Development Strategy (GDS).	23.5	30.1	17.9	13.7	14.8	0	2.26	1.03
12	The municipality has a Risk Register.	55.7	24.5	5.3	5.3	9.2	0	1.56	0.84
13	The Risk Register is <u>at least</u> on a quarterly basis reviewed.	31.4	29.0	17.7	10.0	11.9	0	2.07	1.00
14	Scenario forecasting forms part of the municipality's planning process.	16.4	34.3	19.5	17.2	12.7	0	2.43	1.01
15	The outcomes of the Growth and Development Strategy (GDS) are spatially mapped.	19.3	33.8	15.3	11.9	19.8	0	2.25	0.98
16	At departmental level the SDBIP is <u>fully</u> cascaded into operational implementation plans.	48.3	28.2	12.4	7.1	4.0	0	1.77	0.94
17	Every project has a leader who is 100% responsible to see that the project is executed.	30.1	36.4	17.7	10.8	5.0	0	2.10	0.98
18	Every project is cascaded into a detailed project charter.	23.2	35.6	23.2	12.4	5.5	0	2.26	0.97
19	The Growth and Development Strategy (GDS) is formally reviewed <u>at least</u> every 2 years.	14.5	24.8	20.1	18.7	21.9	0	2.55	1.05
20	Strategy implementation is formally reviewed <u>at least</u> twice a month.	9.8	17.7	29.8	28.8	14.0	0	2.90	0.99

 Benchmark for each Statement

The benchmark (ideal) in terms of responses for every statement is marked (filled with grey) in the table above. In this section of the questionnaire the response benchmark for all the statements is one (1) “*Strongly Agree*”.

The “*Strategy and Planning*” enabler serves the purpose of determining the status of strategies and plans of the Gauteng municipalities. The main purpose and overall focus of the survey is to identify the main reasons and contributing factors preventing the municipalities to effectively and efficiently execute their strategies. Strategy formulation

and planning in local government is well and almost over regulated and controlled, as described in chapter 3 of the study.

According to the results in table 5.1, it seems as if “*Strategy and Planning*” is under control and that the Gauteng municipalities are complying with the requirement of having a strategy and/or plan.

The mean of almost all the statements in this section of the questionnaire are below 2.5. This outcome supports the literature review in chapter 2 where it states that organisations generally spend a lot of time and energy on the formulation of strategies. It also supports and complies with the local government legal framework and discussion in chapter 3. The detail results of the enabler will be discussed as part of the factor analysis.

5.4.2 Factor Analysis

A factor analysis was conducted on the 20 statements as to explore the factorial structure of the enabler. The results of the KMO Measure of Sampling Adequacy, P-value of Bartlett’s Test of sphericity and the Determinant of Correlation Matrix are reported in table 5.2 below.

Table 5.2: KMO, Bartlett’s Test and Determinant of Correlation Matrix

KMO, Bartlett’s Test and Determinant of Correlation Matrix: Strategy and Planning	Value
Kaiser-Meyer-Olkin Measure of Sampling Adequacy (KMO)	0.914
P-Value of Bartlett’s Test of Sphericity	<0.001
Determinant of Correlation Matrix	2.058E-005

The KMO Measure of Sampling Adequacy measured 0.914 (superb according to Field, 2009:647) which suggests that the sample size is adequate for factor analysis. The P-Value of Bartlett’s Test of Sphericity returned a value smaller than 0.05, indicating

that correlations between statements were sufficiently large for factor analysis. The Determinant of Correlation Matrix measured > 0.00001 , which indicates that multicollinearity in the data is not too severe.

After exploring various multifactor solutions, it was decided to use four (4) factors to explain the “*Strategy and Planning*” section. The four (4) factors each had eigenvalues above Kaiser’s criterion of 1.0 (Field, 2009:671) and in combination cumulatively explained a favourable 62.75% of the variance. The four-factor solution also made theoretical sense. The results of the factor analysis for the “*Strategy and Planning*” section are reported in table 5.3 below.

Table 5.3: Pattern Matrix^a

<i>Enabler: Strategy and Planning</i>					
<i>Statement Q2.1</i>	<i>Factor 1 Project Planning</i>	<i>Factor 2 Growth and Development Strategy (GDS)</i>	<i>Factor 3 Planning, Risk and Compliance</i>	<i>Factor 4 Five (5) Year Integrated Development Plan (IDP)</i>	<i>Communalities</i>
<i>18</i>	<i>.871</i>	<i>.038</i>	<i>-.109</i>	<i>.084</i>	<i>.678</i>
<i>17</i>	<i>.815</i>	<i>.058</i>	<i>-.056</i>	<i>.161</i>	<i>.657</i>
<i>20</i>	<i>.516</i>	<i>-.156</i>	<i>.134</i>	<i>-.166</i>	<i>.449</i>
<i>16</i>	<i>.494</i>	<i>.049</i>	<i>.262</i>	<i>.254</i>	<i>.568</i>
<i>2</i>	<i>-.074</i>	<i>.875</i>	<i>.102</i>	<i>.109</i>	<i>.820</i>
<i>1</i>	<i>-.106</i>	<i>.699</i>	<i>-.147</i>	<i>.006</i>	<i>.383</i>
<i>5</i>	<i>.149</i>	<i>.599</i>	<i>.055</i>	<i>.282</i>	<i>.650</i>
<i>15</i>	<i>.258</i>	<i>.528</i>	<i>.138</i>	<i>-.056</i>	<i>.579</i>
<i>3</i>	<i>.080</i>	<i>.494</i>	<i>.186</i>	<i>.221</i>	<i>.515</i>

Table 5.3 continues on the next page

Table 5.3: Pattern Matrix^a (continued)

Enabler: Strategy and Planning					
Statement Q2.1	Factor 1	Factor 2	Factor 3	Factor 4	Communalities
	Project Planning	Growth and Development Strategy (GDS)	Planning, Risk and Compliance	Five (5) Year Integrated Development Plan (IDP)	
19	.418	.431	.065	-.135	.563
11	.289	.402	.309	-.045	.633
9	.313	.355	.252	-.187	.521
13	-.032	.055	.832	-.053	.615
12	-.147	.018	.789	.173	.597
10	.327	.003	.374	.238	.508
7	.227	-.064	.369	.089	.348
14	.308	-.279	.344	-.131	.533
8	.180	-.226	.296	-.113	.303
4	.065	-.091	.042	.463	.273
6	.214	-.245	.153	.462	.561
Cronbach's Alpha	0.817	0.903	0.792	0.562	
Factor Mean	2.24	2.12	1.89	1.43	
Factor Standard Deviation	0.78	0.77	0.68	0.64	

All the statements on each factor loaded above 0.3, except for statement 8 which had a loading of 0.296 on factor 3, which is close to 0.3 and therefore still deemed acceptable. The enabler mean calculated at 2.00 which is an indication that the respondents tended to agree with the statements contained in this section of the questionnaire.

5.4.2.1 Factor One (1): Project Planning

Statements 16, 17, 18 and 20 loaded on factor one (1). These statements are related to the “Project Planning” factor. Statements 18 and 17 have factor loadings of above 0.8, whilst statements 16 and 20 also loaded satisfactorily with factor loadings of 0.49 and 0.51 respectively. The communalities for all the statements are all above 0.3.

The factor mean calculated at 2.24 which is an indication that the respondents tended to agree with the statements contained in the factor. According to the item-level results presented in table 5.1 it seems that the respondents tended to agree that the Service Delivery and Budget Implementation Plan (SDBIP) is cascaded into operational implementation plans (mean of 1.77); that every project has a project leader who is responsible for execution (mean of 2.10); and that every project is cascaded into a detailed project charter (mean of 2.26).

The regular (at least twice a month) monitor and review of strategy execution is however an area of concern that requires attention (mean of 2.90).

The “Project Planning” factor shows good reliability with a Cronbach's Alpha Coefficient of 0.817.

5.4.2.2 Factor Two (2): Growth and Development Strategy (GDS)

Statements 1, 2, 3, 5, 9, 11, 15 and 19 loaded on factor two (2). These statements are related to the “Growth and Development Strategy” factor. Statement 2 has a factor loading of above 0.8, whilst statements 1, 3, 5, 11, 15, and 19 also loaded satisfactorily with a factor loading of above 0.4 and statement 9 also loaded satisfactorily above 0.3. The communalities for all statements are above 0.3.

The factor mean calculated at 2.12 which is an indication that the respondents tended to agree with the statements contained in the factor.

According to the item-level results presented in table 5.1, it seems that the respondents tended to agree that a Growth and Development Strategy (GDS) has been approved by the municipality (mean of 1.61); that the GDS is fully aligned to the political mandate (mean of 1.96); that the political mandate is translated into policy directives (mean of 1.89); that the five (5) year Integrated Development Plan (IDP)

and the GDS are fully aligned (mean of 1.89); that management at all levels participated in the formulation of the GDS (mean of 2.32); that risks are planned for in the GDS (mean of 2.26); and that the outcomes of the GDS are spatially mapped (mean of 2.25).

The respondents, however, tended to disagree with the statement that the strategy (GDS) is regularly reviewed (mean of 2.55) and this could be an area that requires attention.

The “Growth and Development Strategy” factor shows excellent reliability with a Cronbach’s Alpha Coefficient of 0.903.

5.4.2.3 Factor Three (3): Planning, Risk and Compliance

Statements 7, 8, 10, 12, 13, 14 loaded on factor three (3). These statements are related to the “Planning, Risk and Compliance” factor. Statements 12 and 13 have factor loadings of above 0.7, whilst statements 7, 10 and 14 also loaded satisfactorily with a factor loading of above 0.3. Statement 8 (“The municipality utilizes external advisory boards”) loaded at 0.296, which could be rounded to 0.3. The communalities for all the statements are all above 0.3.

The factor mean calculated at 1.89 which is an indication that the respondents tended to agree with the statements contained in the factor and that it is viewed as relatively positive and under control. The mean of each statement in this factor is below 2.5, which indicates that the respondents tended to agree and that no serious problem areas exist.

According to the item-level results presented in table 5.1 it seems that risk registers are compiled and implemented (mean of 1.56) and that it is reviewed on a regular (at least quarterly) basis (mean of 2.07); that external advisory boards are utilized by the municipalities to advise on specialised matters (mean of 2.01); that lekgotlas are

annually proactively scheduled before the start of the planning processes (mean of 1.57); and that scenario forecasting forms part of the planning process (mean of 2.43).

The “Planning, Risk and Compliance” factor shows good reliability with a Cronbach’s Alpha Coefficient of 0.792.

5.4.2.4 Factor Four (4): Five (5) Year Integrated Development Plan (IDP)

Statements 4 and 6, loaded on factor four (4). These statements are related to the “Five (5) Year Integrated Development Plan (IDP)” factor. Both statements have factor loadings of above 0.4 on this factor. The communalities for statement 6 are above 0.3, whilst statement 4 is 0.273 which is approximately 0.3.

The factor mean calculated at 1.43 and it seems that the respondents tended to agree with the statements contained in the factor. According to the item-level results presented in table 5.1 it seems that the respondents tended to agree that the municipality have a 5-Year Integrated Development Plan (IDP) which has been approved by the council (mean of 1.21) and that the SDBIP and IDP are well aligned (mean of 1.65).

The “Five (5) Year Integrated Development Plan (IDP)” shows a Cronbach’s Alpha Coefficient of 0.562 which could be regarded as a relatively low reliability index (Field, 2009:675). This could be caused by the low number of statements (2) in the factor (Cortina, 1993 in Field, 2009).

5.4.3 Factor Correlation Matrix^a

The Pearson correlations between the extracted factors for the “*Strategy and Planning*” enabler are reported in table 5.4 below.

Table 5.4: Factor Correlation Matrix^a

Factors: Strategy and Planning		1	2	3	4
1.	Project Planning	1.000	0.475	0.529	0.217
2.	Growth and Development Strategy	0.475	1.000	0.412	0.116
3.	Planning, Risk and Compliance	0.529	0.412	1.000	0.243
4.	Five (5) Year Integrated Development Plan (IDP)	0.217	0.116	0.243	1.000

The correlations between all factors within the “*Strategy and Planning*” enabler were medium to large, except for correlations between the factor “*Five (5) Year Integrated Development Plan (IDP)*” and other factors.

5.4.4 Review of Strategy and Planning

The importance of the “*Strategy and Planning*” enabler as the first step in the execution process is supported by the legal framework and compliance review in chapter 3 (par. 3.2) as well as the literature review in chapter 2 (par. 2.3.2). The “*Strategy and Planning*” enabler is explained by four (4) factors: (1) “*Project Planning*”; (2) “*Growth and Development Strategy (GDS)*”; (3) “*Planning, Risk and Compliance*”; and (4) “*Five (5) Year IDP*”.

The enabler mean calculated at 2.0 which is an indication that the respondents tended to agree with the statements contained in the “*Strategy and Planning*” enabler. The enabler seems to be under control.

However, two (2) possible problem areas were identified:

- the regular (at least twice a month) monitoring and review of the strategy execution process; and
- the review of the strategy (GDS) at least every 2 years.

5.5 LEADERSHIP AND MANAGEMENT

5.5.1 Frequencies and Descriptive Statistics

The frequency and descriptive statistical results of the “*Leadership and Management*” enabler are reported in table 5.5 below.

Table 5.5: Frequencies and Descriptive Statistics (Part 1)

Statement Q3.1	Leadership and Management Statements (Part 1)	Strongly Agree %	Somewhat Agree %	Somewhat Disagree %	Strongly Disagree %	Don't Know %	Number Missing	Mean	Standard Deviation
		1	2	3	4	5			
1	The <u>execution</u> of decisions taken at meetings is monitored at the next scheduled meeting.	42.5	33.5	12.1	8.4	3.4	0	1.86	0.95
2	Middle managers have the ability to execute the strategy.	27.7	41.2	17.4	10.8	2.9	0	2.12	0.95
3	External stakeholders are engaged on at least a quarterly basis.	20.6	30.3	24.8	13.2	11.1	0	2.34	0.99
4®	Fraud and corruption is a stumbling block in the effective execution of the strategy.	27.4	26.4	21.4	16.4	8.4	0	2.29	1.08
5	During committee meetings of Council (Mayoral, Portfolio and Management) – more than 50% of the allocated time is dedicated at monitoring strategy execution.	10.3	29.4	21.7	19.3	19.3	1	2.62	0.99
6®	Senior management is <u>not</u> involved in the execution of the strategy.	2.9	16.1	24.0	50.9	6.1	0	3.31	0.86
7	Managers at all levels have a clear understanding of what the municipality's strategic objectives are.	28.5	34.3	23.0	11.9	2.4	0	2.19	0.99
8	The municipality's strategy is clearly communicated with all employees.	18.5	28.5	30.6	20.3	2.1	0	2.54	1.02
9	Senior managers are focusing their time primarily on the execution of the strategy.	16.6	37.2	26.9	15.6	3.7	0	2.43	0.96
10	Actions required to ensure successful strategy execution are clearly spelled out.	19.3	35.4	27.2	15.6	2.6	0	2.40	0.98
11	Management meetings are well planned.	30.6	32.5	19.3	15.6	2.1	0	2.20	1.05
12	Management meetings are productive.	22.4	33.2	23.5	17.4	3.4	0	2.37	1.03

Table 5.5: Frequencies and Descriptive Statistics (Part 1) (Continued)

Statement Q3.1	Leadership and Management Statements (Part 1)	Strongly Agree %	Somewhat Agree %	Somewhat Disagree %	Strongly Disagree %	Don't Know %	Number Missing	Mean	Standard Deviation
		1	2	3	4	5			
13	Middle managers are committed to strategy execution.	20.3	40.4	22.7	12.1	4.5	0	2.28	0.94
14®	Inadequate delegated powers in the municipality hamper effective strategy execution.	38.3	26.9	15.6	16.1	3.2	0	2.10	1.10
15®	Inadequate management skills in the municipality hamper effective strategy execution.	30.6	40.4	14.2	12.4	2.4	0	2.09	0.98
16®	Coordination across departments and/or municipal entities is poor.	35.4	36.4	15.8	10.8	1.6	0	2.02	0.98
17®	The municipality focuses more on compliance than on execution.	25.6	38.8	21.4	12.1	2.1	0	2.20	0.97
18	There are adequate financial resources to accomplish the strategy.	10.8	21.6	20.1	43.3	4.2	0	3.00	1.06
19	The managers in the municipality are effective in taking decisions.	13.5	34.3	31.1	19.8	1.3	0	2.58	0.96
20	Senior managers set an example of disciplined strategy execution.	15.0	35.4	29.0	18.2	2.4	0	2.52	0.97
21	Senior managers set an example of sticking to due dates.	16.1	32.5	25.1	24.0	2.4	0	2.58	1.03

® Reversed Statement

 Benchmark for each Statement

The benchmark (ideal) in terms of responses for every statement is marked (filled with grey) in the table above. In this section the response benchmark for all the statements is one (1) “*Strongly Agree*” except for reversed statements 4, 6, 14, 15, 16 and 17 where the benchmark is four (4) “*Strongly Disagree*”.

This enabler deals primarily with management’s ability to manage and lead the strategy execution process. The respondents are primarily members of the top and middle management which could be a possible limitation in terms of subjectivity but despite this, the majority of the statements contained in this factor calculated a mean above 2.5, (or in the case of reversed statements below 2.5), which is an indication that the respondents tended to disagree with some of the statements.

These results support the literature review (chapter 2 – par. 2.3.3) where it confirms the importance of leadership and management and the fact that it could be a barrier in the strategy execution process if it is not one of the strengths of the municipality.

The detailed results of the enabler will be discussed as part of the factor analysis.

5.5.2 Factor Analysis

A factor analysis was conducted on the 21 statements of the *“Leadership and Management”* enabler as to explore the factorial structure.

The results of the KMO Measure of Sampling Adequacy, P-value of Bartlett’s Test of Sphericity and the Determinant of Correlation Matrix are reported in table 5.6 below.

Table 5.6: KMO, Bartlett’s Test and Determinant of Correlation Matrix

KMO, Bartlett’s Test and Determinant of Correlation Matrix	Value
Kaiser-Meyer-Olkin Measure of Sampling Adequacy (KMO)	0.923
P-Value of Bartlett’s Test of Sphericity	<0.001
Determinant of Correlation Matrix	3.329E-005

The KMO Measure of Sampling Adequacy measured 0.923 (superb according to Field, 2009:647) which suggests that the sample size is adequate for factor analysis. The P-Value of Bartlett’s Test of Sphericity returned a value smaller than 0.05, indicating that correlations between statements were sufficiently large. The Determinant of Correlation Matrix measured > 0.00001 , which indicates that there is not too severe multicollinearity in the data.

After exploring various multifactor solutions, it was decided to use four (4) factors to explain the *“Leadership and Management”* section. The four (4) factors each had

eigenvalues above Kaiser's criterion of 1.0 (Field, 2009:671) and in combination cumulatively explained a favourable 58.7% of the variance. The four-factor solution also made theoretical sense. The results of the factor analysis for the *“Leadership and Management”* enabler are reported in table 5.7 below.

Table 5.7: Pattern Matrix^a

Enabler: Leadership and Management					
Statement Q3.1	Factor 1	Factor 2	Factor 3	Factor 4	Communalities
	General Management	Execution Hampering	Execution Focus	Management Meetings	
21	.781	-.050	.184	.198	.712
20	.737	-.123	.117	.183	.724
19	.633	-.122	-.049	.062	.562
7	.608	-.041	-.292	-.081	.588
8	.443	-.037	-.289	.080	.501
13	.436	.050	-.294	.173	.547
10	.430	.014	-.296	.258	.661
9	.401	.092	-.270	.255	.546
18	.155	.001	-.013	-.020	.023
15®	-.008	.769	.044	.139	.539
14®	-.002	.606	-.123	-.055	.376
4®	.026	.525	.004	-.033	.282
16®	-.216	.499	-.068	-.069	.389
17®	.006	.394	.210	-.049	.258
1	-.021	-.022	.534	.269	.481
2	.232	-.102	.528	.005	.514
3	.196	.009	.477	.015	.370
5	.184	-.023	.388	.230	.454
6®	.050	.201	.231	-.206	.205
11	.046	-.051	-.032	.799	.746
12	.168	-.056	-.032	.737	.785

Table 5.7: Pattern Matrix^a (Continued)

Enabler: Leadership and Management					
Statement Q3.1	Factor 1	Factor 2	Factor 3	Factor 4	Communalities
	General Management	Execution Hampering	Execution Focus	Management Meetings	
Cronbach's Alpha	0.884	0.716	0.772	0.877	
Factor Mean	2.51	2.87 [®]	2.12	2.29	
Factor Standard Deviation	0.71	0.70	0.68	0.985	

[®] Reversed Factor (all statements)

All the statements on each factor loaded above 0.3, except for statements 6 and 18. The enabler mean calculated at 2.54 which is an indication that the statements contained in this section of the questionnaire are viewed by the respondents as evenly balanced between positive and negative.

5.5.2.1 Factor One (1): General Management

Statements 7, 8, 9, 10, 13, 18, 19, 20 and 21 loaded on factor one (1). These statements are related to the “General Management” factor. All statements except 18 have satisfactory factor loadings of above 0.4 on this factor. Statement 18 (“*There are adequate financial resources to accomplish the strategy*”) loaded low at 0.155 and does not load substantially on any other factor but will be retained due to the fact that the statement is very relevant to the factor.

The communalities for all statements are above 0.3 except for statement 18 which is 0.02.

The factor mean calculated at 2.51 which is an indication that the statements contained in the factor are viewed by the respondents as evenly balanced between agree and

disagree. The possible limitation, as indicated earlier, is the fact that the respondents are primarily members of the management team.

According to the item-level results presented in table 5.5 it seems that the respondents tended to agree that all staff levels have a clear understanding of the strategic objectives (mean of 2.19); that the senior managers are focusing their time primarily on strategy execution (mean of 2.43); that the middle managers are committed to strategy execution (mean of 2.28); and that the actions required to ensure successful strategy execution are clearly spelled out (mean of 2.40).

The results, however, also indicate that the respondents tended to disagree that the managers are effective in taking decisions (mean of 2.58); that senior managers are setting an example of sticking to due dates (mean of 2.58); and that the strategy is clearly communicated with all employees (mean of 2.54), this statement possibly contradicts the result above where it confirmed that the staff at all levels have a clear understanding of the strategic objectives.

The “*General Management*” factor shows good reliability with a Cronbach’s Alpha Coefficient of 0.884.

5.5.2.2 Factor Two (2): Execution Hampering

Statements 4, 14, 15, 16 and 17 loaded on factor two (2). These statements are related to the “*Execution Hampering*” factor. All statements have satisfactory factor loadings of above 0.5, except for statement 17 which also loaded satisfactorily with a factor loading of above 0.3 on this factor.

The communalities for all the statements are all above 0.3 except for statement 17 which is 0.26.

The factor comprises only reversed statements in the sense that agreement with statements has negative implications for the municipality. The mean calculated at 2.87

is an indication that the respondents tended to agree with the statements contained in the factor.

According to the item-level results presented in table 5.5 it seems that the respondents tended to agree that fraud and corruption is a stumbling block in the execution of strategy (mean of 2.29); that the existing delegated powers are inadequate (mean of 2.10); that managerial skills are inadequate (mean of 2.09); that coordination across departments and/or municipal entities is problematic (mean 2.02); and that there is an over emphasis on compliance instead of execution (mean 2.20).

The “*Execution Hampering*” factor shows good reliability with a Cronbach’s Alpha Coefficient of 0.716.

5.5.2.3 Factor Three (3): Execution Focus

Statements 1, 2, 3, 5 and 6 loaded on factor three (3). These statements are related to the “*Execution Focus*” factor. All statements have satisfactory factor loadings of above 0.3, except statement 6 loaded at 0.23. Statement 6 (reversed) refers to the involvement of senior management in the execution of the strategy and is relevant and important to the factor according to the literature and will therefore be retained. The communalities for all statements are above 0.3.

The factor mean calculated at 2.12 which is an indication that the respondents tended to agree with the statements contained in the factor.

According to the item-level results presented in table 5.5 it seems that the respondents tended to agree that the execution of decisions taken at meetings is monitored at the next scheduled meeting (mean of 1.86); that middle managers have the ability to execute the strategy (mean of 2.12); that external contractors and stakeholders are engaged on a regular (at least a quarterly) basis (mean of 2.34); and that senior

management is involved in the execution of the strategy (reversed statement mean of 3.31).

The respondents tended to disagree with the statement that more than 50% of the allocated time is dedicated at monitoring strategy execution during committee meetings of Council (mean of 2.62).

The “*Execution Focus*” factor shows good reliability with a Cronbach’s Alpha Coefficient of 0.772.

5.5.2.4 Factor Four (4): Management Meetings

Statements 11 and 12, loaded on factor four (4). These statements are related to the “*Management Meetings*” factor. Both statements have satisfactory factor loadings of above 0.7 onto this factor. The communality for statement 11 is above 0.3 and for reversed statement 6 below 0.3 at 0.205.

The factor mean calculated at 2.29 which is an indication that the respondents, (primarily members of the top and middle management), tended to agree with the statements contained in the factor. According to the item-level results presented in table 5.5 it seems that the respondents tended to agree that management meetings are well planned and productive. This finding contradicts the findings of the factors “*General Management*” (par. 5.5.2) and “*Execution Focus*” (par. 5.5.2.3). It seems that the content (agenda) of meetings regarding the monitoring of strategy execution requires attention.

The “*Management Meetings*” factor shows good reliability with a Cronbach’s Alpha Coefficient of 0.877.

5.5.3 Factor Correlation Matrix^a

The Pearson correlations between the extracted factors for the “*Leadership and Management*” enabler are reported in table 5.8 below.

Table 5.8: Factor Correlation Matrix^a

Factors: Leadership and Management		1	2	3	4
1.	General Management	1.000	0.340	0.520	0.573
2.	Execution Hampering	0.340	1.000	0.212	0.401
3.	Execution Focus	0.520	0.212	1.000	0.460
4.	Management Meetings	0.573	0.401	0.460	1.000

All factors within the “*Leadership and Management*” enabler had medium to large correlations, except for correlations between the factors “*Execution Hampering*” and “*Management Execution Focus*”. Although both factors are important enablers of “*Leadership and Management*”, it does not correlate so much with one another.

5.5.4 Frequencies: Leadership and Management (Part 2)

According to the frequencies of “*Leadership and Management (Part 2)*” in table 5.9 and figure 5.3 below, the respondents tended to agree that to a large extent the minutes of meetings are captured in a project management format (49.6% of the respondents responded positively); and that the municipalities utilize a tracking system to monitor the execution of committee resolutions (58.5% of the respondents responded positively).

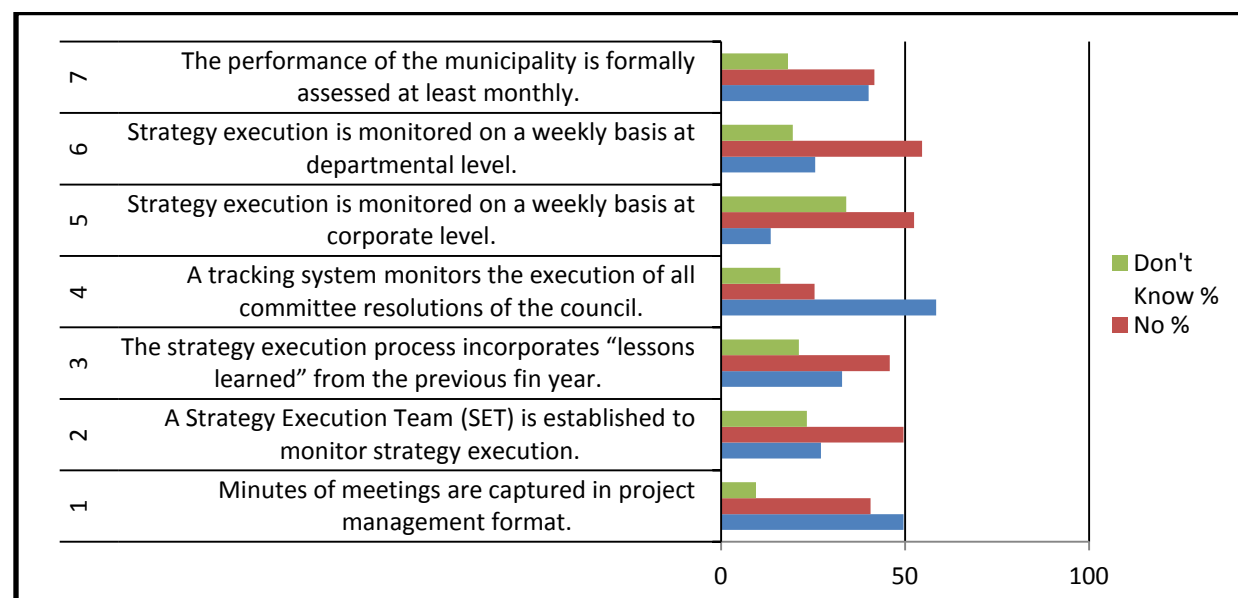
Table 5.9 and Figure 5.3 follow on next page

Table 5.9: Frequencies: Leadership and Management (Part 2)

Statement Q3.2	Leadership and Management Statements (Part 2)	Yes %	No %	Don't Know %	Number Missing
1	Minutes of meetings are captured in project management format (what, how, when, who, where, and more.).	49.6	40.6	9.5	1
2	A Strategy Execution Team (SET) is established to monitor strategy execution.	27.2	49.6	23.3	0
3	The strategy execution process incorporates "lessons learned" from the previous financial year.	32.9	45.9	21.2	2
4	A tracking system monitors the execution of all committee resolutions of the council (Management, Audit, Risk, Portfolios, MPAC, Mayoral Committee, Council, and more).	58.5	25.4	16.1	1
5	Strategy execution is monitored on a weekly basis at corporate level.	13.5	52.5	34.0	0
6	Strategy execution is monitored on a weekly basis at departmental level.	25.6	54.6	19.5	1
7	The performance of the municipality is formally assessed at least monthly.	40.1	41.7	18.2	0

 Benchmark for each Statement

Figure 5.3 Frequency Results: Leadership and Management (Part 2)



The results also revealed that the respondents tended to disagree that a dedicated strategy execution team (SET) has been established (*only 27.2% responded positively*);

that the lessons learned from the previous financial year is incorporated into the strategy execution process (only 32.9% responded positively); that at corporate level strategy execution is monitored on a regular (at least weekly) basis (only 13.5% responded positively); that at departmental level strategy execution is monitored on a regular (at least weekly) basis (only 25.6% responded positively).

The respondents were indecisive regarding the statement that performance is regularly (at least monthly) and formally monitored and reviewed.

5.5.5 Review of Leadership and Management

The results supported the findings in the literature review and discussion in chapter 2 (par. 2.3.3) confirmed the critical role of leadership and management in ensuring successful strategy execution and the fact that it could be a stumbling block in the strategy execution process if it is not one of the strengths of the municipality. The literature review and discussion in chapter 2 (par. 2.3.3) The “*Leadership and Management*” enabler is in the survey explained by four (4) factors: (1) “*General Management*”; (2) “*Execution Hampering*”; (3) “*Execution Focus*”; and (4) “*Management Meetings*”.

Despite the possible subjectivity of the respondents, primarily members of the top and middle management, the enabler mean calculated at 2.54 which is an indication that the respondents tended to disagree with the statements (or agree with the reversed statements), contained in the “*Leadership and Management*” enabler.

Areas that require possible attention across the four (4) factors are:

- clear communication of the strategy to all levels of the municipality;
- effectiveness of managers in taking decisions;
- setting an example of sticking to due dates by the senior managers;
- prevention of fraud and corruption;

- inadequate managerial skills and delegated powers;
- coordination across departments and/or municipal entities;
- an over emphasis on compliance instead of execution; and
- the allocation of more time during meetings towards the monitoring of strategy execution.

Part 2 of “*Leadership and Management*” were only assessed in terms of frequencies and from these results it is evident that the municipalities will have to address the following matters:

- the establishment of a dedicated team to monitor strategy execution;
- the incorporation of lessons learned into the planning and strategy execution process; and
- the regular (at least weekly) review and monitoring of performance and strategy execution at departmental and corporate level.

5.6 ORGANISATION, PEOPLE AND SKILLS

5.6.1 Frequencies and Descriptive Statistics

The frequency and descriptive statistical results of the “*Organisation, People and Skills*” enabler are reported in table 5.10 below.

Table 5.10: Frequencies and Descriptive Statistics

Statement Q4.1	Organisation, People and Skills Statements	Strongly Agree %	Somewhat Agree %	Somewhat Disagree %	Strongly Disagree %	Don't Know %	Number Missing	Mean	Standard Deviation
		1	2	3	4	5			
1	The structure is fully aligned to the key service delivery processes.	20.6	34.8	17.7	24.3	2.6	0	2.47	1.08
2	The existing organisational structure supports the execution of the strategy.	15.6	34.8	21.4	25.6	2.6	0	2.58	1.04
3	The number of decision-making levels contributes towards successful strategy execution.	19.0	34.0	20.1	20.6	6.3	0	2.45	1.05
4	The morale of the employees is high.	3.2	12.7	27.2	53.8	3.2	0	3.36	0.83
5	Managers responsible for strategy execution are skilled and competent.	13.5	37.7	26.1	18.5	4.2	0	2.52	0.96
6	Knowledge is well managed in the municipality.	9.2	25.1	31.7	30.6	3.4	0	2.87	0.97
7	Human Resource Management plans are in support of effective strategy execution.	7.1	19.3	30.9	35.9	6.9	0	3.02	0.95
8	The Skills Development Plan is in support of strategy execution.	8.4	23.2	30.3	30.1	7.9	0	2.89	0.97
9	There are adequate human resources to execute the strategy.	5.8	17.4	30.9	41.4	4.5	0	3.13	0.92
10	All funded vacancies are filled within 3 months.	2.9	11.1	20.1	63.6	2.4	0	3.48	0.81
11	The municipality has invested in a management development program.	11.3	30.1	19.5	26.4	12.7	0	2.70	1.04

Table 5.10: Frequencies and Descriptive Statistics (Continued)

Statement Q4.1	Organisation, People and Skills Statements	Strongly Agree %	Somewhat Agree %	Somewhat Disagree %	Strongly Disagree %	Don't Know %	Number Missing	Mean	Standard Deviation
		1	2	3	4	5			
12	The municipality has invested in a project management training program.	12.7	30.1	23.0	22.2	12.1	0	2.62	1.01
13®	The best applicants are not appointed in important positions due to political interference.	36.4	22.4	15.6	15.8	9.8	0	2.12	1.13
14	The municipality has a culture of urgency in execution.	15.0	33.5	27.4	20.1	4.0	0	2.55	0.99
15	The municipality has a culture of continuous innovation.	10.8	29.8	29.8	25.3	4.2	0	2.73	0.98
16	Execution is the primary focus of the municipality.	18.7	33.2	27.2	16.9	4.0	0	2.44	0.99
17	The municipality has a culture of dealing decisively with non performers.	5.5	17.2	29.6	43.5	4.2	0	3.16	0.92
18	Human resources at operational level are sufficiently skilled.	7.9	25.1	30.3	31.7	5.0	0	2.90	0.96
19	The municipality has a Human Resource (HR) Strategy in support of the Growth and Development Strategy (GDS).	8.4	15.0	21.4	30.1	25.1	0	2.97	1.03
20	There is a clear implementation plan for the HR Strategy.	6.3	13.2	26.6	33.8	20.1	0	3.10	0.95
21	Talent is well managed in the municipality.	3.2	9.5	28.8	53.3	5.3	0	3.39	0.80

® Reversed Statement

 Benchmark for each Statement

The benchmark (ideal) in terms of responses for every statement is marked (filled with grey) in the table above. In this section the response benchmark for all the statements is one (1) “*Strongly Agree*” except for the reversed statement 13 where the benchmark is four (4) “*Strongly Disagree*”.

The results in table 5.10 confirm that the Gauteng municipalities experience challenges when it comes to “*Organisation, People and Skills*” – the majority of the statements calculated a mean above 2.5 and below 2.5 in the case of the reversed statement (13).

This supports the literature (chapter 2 – par. 2.3.4) where it highlights that the organisational structure, people and skills could be stumbling blocks in the strategy execution process. The detailed results of the enabler will be discussed as part of the factor analysis.

5.6.2 Factor Analysis

A factor analysis was conducted on the 21 statements of the “*Organisation, People and Skills*” enabler as to explore the factorial structure.

The results of the KMO Measure of Sampling Adequacy, P-value of Bartlett’s Test of sphericity and the Determinant of Correlation Matrix are reported in table 5.11 below.

Table 5.11: KMO, Bartlett’s Test and Determinant of Correlation Matrix

KMO, Bartlett’s Test and Determinant of Correlation Matrix	Value
Kaiser-Meyer-Olkin Measure of Sampling Adequacy (KMO)	0.925
P-Value of Bartlett’s Test of Sphericity	<0.001
Determinant of Correlation Matrix	4.214E-006

The KMO Measure of Sampling Adequacy measured 0.925 (superb according to Field, 2009:647) which suggests that there are sufficient data to perform a factor analysis. The P-Value of Bartlett’s Test of Sphericity returned a value smaller than 0.05, indicating that correlations between statements were sufficiently large. The Determinant of Correlation Matrix measured < 0.00001, which is an indication that multicollinearity could have been a problem in the factor analysis.

After exploring various multifactor solutions, it was decided to use five (5) factors to explain the “*Organisation, People and Skills*” section. The five (5) factors each had eigenvalues above Kaiser’s criterion of 1.0 (Field, 2009:671) and in combination cumulatively explained a favourable 67.2% of the variance. The five-factor solution also

made theoretical sense. The results of the factor analysis for the “*Organisation, People and Skills*” enabler are reported in table 5.12 below.

Table 5.12: Pattern Matrix^a

Enabler: Organisation, People and Skills						
Statement Q4.1	Factor 1	Factor 2	Factor 3	Factor 4	Factor 5	Communalities
	Human Resource Planning	Organisational Structure	Morale, Skills Fit and Performance	Skills Development	Culture of Execution	
20	.810	-.031	.074	-.016	.196	.817
19	.773	-.084	.240	.085	.122	.731
8	.667	-.117	-.085	.062	-.049	.616
18	.635	-.014	-.029	.064	.082	.537
7	.583	-.244	-.266	-.058	-.060	.707
21	.381	.028	-.340	.010	.221	.537
9	.348	-.095	-.224	.271	-.135	.432
2	-.001	.975	-.015	-.035	-.056	.889
1	-.030	.919	.059	.035	.013	.803
3	.048	.636	-.023	.026	.131	.575
4	.152	-.057	.568	.105	.046	.566
6	.217	-.035	.490	.008	.240	.613
5	.128	-.131	.458	-.029	.196	.506
13®	.116	.052	.428	-.020	-.030	.191
17	.265	-.052	.307	.023	.286	.518
10	.235	-.052	.239	.218	-.048	.297
11	.027	-.007	-.021	.723	-.006	.554
12	-.049	-.018	.052	.639	.075	.409
14	.044	-.073	-.006	-.019	.673	.529
15	.064	.005	-.050	.215	.652	.667
16	.004	-.128	-.140	.099	.568	.582
Cronbach's Alpha	0.902	0.891	0.769	0.651	0.813	
Factor Mean	3.05	2.50	3.04	2.65	2.57	
Factor Standard Deviation	0.73	0.958	0.66	0.903	0.836	

All the statements on each factor loaded above 0.3, except for statements 10. The enabler mean calculated at 2.87 which is an indication that the respondents tended to disagree with the statements contained in this section of the questionnaire.

5.6.2.1 Factor One (1): Human Resource Planning

Statements 7, 8, 9, 18, 19, 20 and 21 loaded on factor one (1). These statements are related to the “*Human Resource Planning*” factor. Statements 7, 8, 18, 19 and 20 have factor loadings of above 0.5, whilst statements 9 and 21 also loaded satisfactorily with factor loadings above 0.3 on this factor. The communalities for statements are all above 0.3.

The factor mean calculated at 3.05 which is an indication that the respondents tended to disagree with the statements contained in the factor. This result could point towards a problem area.

According to the item-level results presented in table 5.10 it seems that the respondents tended to disagree that human resource management plans (mean of 3.02) and skills development plans (mean of 2.89) are in support of strategy execution; that human resources are adequate (mean of 3.13); that staff at operational level are sufficiently skilled (mean of 2.90); that the human resource plan is in support of the strategy (mean of 2.97); that there is a clear implementation plan for the human resource strategy (mean of 3.10); and that talent is well managed (mean of 3.39).

The “*Human Resource Planning*” factor shows good reliability with a Cronbach’s Alpha Coefficient of 0.902.

5.6.2.2 Factor Two (2): Organisational Structure

Statements 1, 2 and 3 loaded on factor two (2). These statements are related to the “*Organisational Structure*” factor. Statements 1 and 2 have factor loadings of above 0.9,

whilst statement 3 also loaded satisfactorily with a factor loading of above 0.6 on this factor. The communalities for statements are all above 0.3.

The factor mean calculated at 2.50 which is an indication that an even number of respondents disagreed and agreed with the statements contained in the factor.

According to the item-level results presented in table 5.10 it seems that the respondents tended to agree that the organisational structure is aligned to the key service delivery processes (mean of 2.47); and that the number of decision levels contributes towards strategy execution (mean of 2.45).

Respondents, however, tended to disagree with the statement that the existing organisational structure supports the execution of the strategy (mean of 2.58).

The “*Organisational Structure*” factor shows good reliability with a Cronbach’s Alpha Coefficient of 0.891.

5.6.2.3 Factor Three (3): Morale, Skills Fit and Performance

Statements 4, 5, 6, 10, 13 and 17 loaded on factor three (3). These statements are related to the “*Morale, Skills Fit and Performance*” factor. Statements 4, 5, 6, 13 have factor loadings of above 0.4, whilst statement 17 also loaded satisfactorily with a factor loading of above 0.3 on this factor. Statement 10 (“*All funded vacancies are filled within 3 months*”) loaded at 0.239 and does not load substantially on any other factor but will be retained due to the fact that the statement is relevant to the factor.

The communalities for statements are all above 0.3 except for statement 10 (0.297) and reversed statement 13 (0.191).

The factor mean calculated at 3.04 which is an indication that the respondents tended to disagree with the statements contained in the factor.

According to the item-level results presented in table 5.10 it seems that the respondents tended to agree with the statement that the best applicants are not appointed due to political interference (reversed statement mean of 2.12).

The respondents tended to disagree that managers responsible for strategy execution are skilled and competent (2.52); and that knowledge is not well managed (mean of 2.87); that the morale of employees is high (mean of 3.36); that funded vacancies are filled within 3 months (mean of 3.48); and that a culture exists that deals decisively with non-performers (mean of 3.16).

The “*Morale, Skills Fit and Performance*” factor shows good reliability with a Cronbach’s Alpha Coefficient of 0.769.

5.6.2.4 Factor Four (4): Skills Development

Statements 11 and 12 loaded on factor four (4). These statements are related to the “*Skills Development*” factor. Both statements have factor loadings of above 0.6 on this factor. The communalities for statements are all above 0.3.

The factor mean calculated at 2.65 which is an indication that the respondents tended to slightly disagree with the statements contained in the factor.

According to the item-level results presented in table 5.10 it seems that the respondents tended to disagree that the municipality did invest and/or participate in a management development (mean of 2.70) or project management training program (mean of 2.62).

The “*Skills Development*” factor shows a Cronbach’s Alpha Coefficient of 0.651 which could be regarded as a relatively low reliability factor (Field, 2009:675). This could have been caused by the low number of statements (2) in the factor (Cortina, 1993 in Field, 2009).

5.6.2.5 Factor Five (5): Culture of Execution

Statements 14, 15 and 16 loaded on factor five (5). These statements are related to the “*Culture of Execution*” factor. All statements have factor loadings of above 0.5 on this factor. The communalities for statements are all above 0.3.

The factor mean calculated at 2.57 which is an indication that the statements contained in the factor are viewed by the respondents as evenly balanced between agree and disagree.

The results confirmed that the respondents tended to agree with the statement that strategy execution is the primary focus of the municipality (mean of 2.44).

Respondents tended to disagree that the municipalities lack a culture of continuous innovation (mean of 2.73); and tended to slightly disagree that the municipalities lack a culture of urgency in execution (mean of 2.55).

The “*Culture of Execution*” factor shows good reliability with a Cronbach’s Alpha Coefficient of 0.813.

5.6.3 Factor Correlation Matrix^a

The Pearson correlations between the extracted factors for the “*Organisation, People and Skills*” enabler are reported in table 5.13 below.

Table 5.13 follows on next page

Table 5.13: Factor Correlation Matrix^a

Factors: Organisation, People and Skills		1	2	3	4	5
1.	Human Resource Planning	1.000	0.550	0.390	0.454	0.496
2.	Organisational Structure	0.550	1.000	0.504	0.453	0.446
3.	Morale, Skills Fit and Performance	0.390	0.504	1.000	0.339	0.397
4.	Skills Development	0.454	0.453	0.339	1.000	0.375
5.	Culture of Execution	0.496	0.446	0.397	0.375	1.000

All factors within the “*Organisation, People and Skills*” enabler had medium to large correlations.

5.6.4 Review of Organisation, People and Skills

The results supported the findings in the literature review and discussion in chapter 2 (par. 2.3.4) in terms of the importance of organisation, people and skills in ensuring successful strategy execution and the fact that it could be a barrier if not well resourced and effective. The “*Organisation, People and Skills*” enabler is in the survey explained by five (5) factors: (1) “*Human Resource Planning*”; (2) “*Organisational Structure*”; (3) “*Morale, Skills Fit and Performance*”; (4) “*Skills Development*”; and (5) “*Culture Of Execution*”.

The enabler mean calculated at 2.56 which is an indication that the statements contained in this enabler are viewed by the respondents as evenly balanced between positive and negative.

Areas that possibly require attention across the five (5) factors are:

- inadequate human resources;
- human resource plans;

- skills development plans;
- staff at operational level are not sufficiently skilled;
- the human resource strategy is not aligned and in support of the strategy;
- there is not a clear implementation plan for the human resource strategy;
- talent is not well managed;
- the low morale of employees;
- the inability to fill funded vacancies;
- the absence of a culture that deals decisively with non-performers;
- the existing organisational structure's lack of support to strategy execution;
- the competencies and skills of managers responsible for strategy execution;
- political interference resulting in the best applicants not getting appointed;
- knowledge not well managed;
- investing in management development training;
- investing in project management training;
- creating a culture of continuous innovation; and
- developing a culture of execution urgency.

5.7 SYSTEMS AND TECHNOLOGY

5.7.1 Frequencies and Descriptive Statistics

The frequency and descriptive statistical results of the “*Systems and Technology*” enabler are reported in table 5.14 below.

Table 5.14 follows on next page

Table 5.14: Frequencies and Descriptive Statistics: Systems and Technology

Statement Q5.1	Systems and Technology Statements	Strongly Agree %	Somewhat Agree %	Somewhat Disagree %	Strongly Disagree %	Don't Know %	Number Missing	Mean	Standard Deviation
		1	2	3	4	5			
1	The municipality is well exposed to new technology.	17.7	38.0	25.6	16.9	1.8	0	2.42	0.97
2	All ICT systems are fully integrated.	6.1	24.3	30.9	33.2	5.5	0	2.97	0.93
3	Technology is used to monitor time and attendance (the clocking in and out of staff).	4.7	8.2	18.5	65.2	3.4	0	3.49	0.85
4	Technology is currently used to monitor the utilization of vehicles.	14.8	20.8	14.0	37.5	12.9	0	2.85	1.15
5	Technology is currently used to monitor the fuel consumption of vehicles.	13.5	17.9	16.4	35.4	16.9	0	2.89	1.13
6	An ICT Master Systems Plan (MSP) has been approved.	9.0	13.7	13.7	21.1	42.5	0	2.82	1.10
7	The MSP is aligned to the core service delivery processes.	7.1	14.8	16.1	23.7	38.3	0	2.91	1.04
8	The MSP is in full support of the Growth and Development Strategy (GDS).	5.0	13.5	15.0	26.1	40.4	0	3.04	1.00
9	ICT Systems provide accurate Management Information (MI) in support of strategy execution.	6.1	19.0	21.9	28.2	24.8	0	2.96	0.98
10	An early warning system is deployed that provides information about high impact service breakdowns (water, electricity, traffic lights, and more).	5.5	13.7	19.3	36.4	25.1	0	3.15	0.97
11	Effective strategy execution control mechanisms are currently implemented by the municipality.	8.2	23.2	26.1	25.9	16.6	0	2.83	0.98
12	The current processes of the municipality are effective in ensuring strategy implementation.	7.1	25.6	29.8	25.3	12.1	0	2.83	0.94
13	The municipality has procedural manuals for all the systems used.	7.4	22.7	23.2	33.0	13.7	0	2.95	0.99
14	The billing system of the municipality is effective.	12.7	33.0	15.0	28.0	11.3	0	2.66	1.07
15	The financial system of the municipality is effective.	17.2	39.6	19.3	19.5	4.5	0	2.43	1.01

 Benchmark for each Statement

The benchmark (ideal) in terms of responses for every statement is marked (filled with grey) in the table above. In this section the response benchmark for all the statements is one (1) “*Strongly Agree*”.

The results in table 5.14 confirm that the Gauteng municipalities experience challenges when it comes to “*Systems and Technology*” – the majority of the statements calculated a mean above 2.5. This supports the literature (chapter 2 – par. 2.3.5) where it highlights that systems and technology could be stumbling blocks in the strategy execution process. The detail results of the enabler will be discussed as part of the factor analysis.

5.7.2 Factor Analysis

A factor analysis was conducted on the 15 statements of the “*Systems and Technology*” enabler as to explore the factorial structure.

The results of the KMO Measure of Sampling Adequacy, P-value of Bartlett’s Test of Sphericity and the Determinant of Correlation Matrix are reported in table 5.15 below.

Table 5.15: KMO, Bartlett’s Test and Determinant of Correlation Matrix

KMO, Bartlett’s Test and Determinant of Correlation Matrix	Value
Kaiser-Meyer-Olkin Measure of Sampling Adequacy (KMO)	0.857
P-Value of Bartlett’s Test of Sphericity	<0.001
Determinant of Correlation Matrix	8.627E-005

The KMO Measure of Sampling Adequacy measured 0.857 (very good according to Field, 2009:647) which suggests that the sample size is adequate for factor analysis. The P-Value of Bartlett’s Test of Sphericity returned a value smaller than 0.05, indicating that correlations between statements were sufficiently large for factor analysis. Determinant of Correlation Matrix measured > 0.00001 , which indicates that there is not too severe a multicollinearity in the data.

After exploring various multifactor solutions, it was decided to use four (4) factors to explain the “*Systems and Technology*” section. The four (4) factors each had eigenvalues above Kaiser’s criterion of 1.0 (Field, 2009:671) and in combination cumulatively explained a favourable 70.6% of the variance. The four-factor solution also made theoretical sense. The results of the factor analysis for the “*Systems and Technology*” enabler are reported in table 5.16 below.

Table 5.16: Pattern Matrix^a

Enabler: Systems and Technology					
Statement Q5.1	Factor 1	Factor 2	Factor 3	Factor 4	Communalities
	Technology Support	Financial System	Fleet Management System	Master Systems Plan (MSP)	
11	.813	.081	-.030	-.035	.680
12	.812	.059	-.035	-.058	.638
2	.704	.056	.004	-.023	.519
9	.663	.007	-.056	.177	.574
13	.630	.032	.045	.017	.455
10	.592	-.008	.083	.052	.433
1	.529	.020	-.061	.071	.312
3	.466	-.036	.172	-.037	.273
14	.067	.850	-.020	.009	.776
15	.039	.825	.038	.028	.737
4	.052	.002	.923	-.015	.851
5	-.010	.024	.795	.086	.709
7	.162	-.002	.001	.866	.934
6	-.121	.124	.099	.849	.727
8	.414	-.164	.018	.652	.833
Cronbach’s Alpha	0.891	0.861	0.873	0.920	
Factor Mean	2.94	2.54	2.86	2.93	
Factor Std Deviation	0.68	0.97	1.08	0.98	

All the statements on each factor loaded above 0.4. The enabler mean calculated at 2.88 which is an indication that the respondents tended to disagree with the statements contained in this section of the questionnaire.

5.7.2.1 Factor One (1): Technology Support

Statements 1, 2, 3, 9, 10, 11, 12 and 13 loaded on factor one (1). These statements are related to the “*Technology Support*” factor. Statements 11 and 12 have factor loadings of above 0.8, whilst statements 2, 9 and 13 loaded above 0.6 on this factor.

Statements 1 and 10 and 3 also loaded satisfactorily with a factor loading of 0.528, 0.592 and 0.466 respectively. The communalities for statements are all above 0.3 whilst statement 3 is 0.273 which is approximately 0.3. The Cronbach’s Alpha Coefficient of this factor with all the items included yielded a value of 0.891 which shows sufficient reliability.

The factor mean calculated at 2.94 which is an indication that the respondents tended to disagree with the statements contained in the factor.

According to the results the respondents tended to agree with the statement that municipalities are well exposed to new technology (mean of 2.42).

According to the item-level results presented in table 5.14 it seems that the respondents tended to disagree that the information, communication and technology (ICT) systems are fully aligned (mean of 2.97); that the ICT systems are also providing accurate management information (mean of 2.96); that strategy execution control mechanisms are implemented (mean of 2.83); that the current business processes are effective in supporting strategy execution (mean of 2.83); and that procedural manuals for all systems are available (mean of 2.95).

Areas that were rated as very negative (mean above 3.0) are the lack of an early warning system that monitors high impact service (electricity, water, traffic lights, and others) breakdowns (mean of 3.15); and the lack of a system to monitor time and attendance of staff (mean of 3.49).

The “*Technology Support*” factor shows good reliability with a Cronbach’s Alpha Coefficient of 0.891.

5.7.2.2 Factor Two (2): Financial System

Statements 14 and 15 loaded on factor two (2). These statements are related to the “*Financial System*” factor. Both statements have a satisfactory factor loading of above 0.8 on this factor. The communalities for statements are all above 0.3.

The factor mean calculated at 2.54 which is an indication that the statements contained in the factor are viewed by the respondents as evenly balanced between agree and disagree.

According to the item-level results presented in table 5.14 it seems that the respondents tended to agree with the statement that the financial system is effective (mean of 2.43) and tended to disagree that the billing systems of the municipalities are effective (mean of 2.66).

The “*Financial System*” factor shows good reliability with a Cronbach’s Alpha Coefficient of 0.861.

5.7.2.3 Factor Three (3): Fleet Management System

Statements 4 and 5 loaded on factor three (3). These statements are related to the “*Fleet Management System*” factor. Both statements have satisfactory factor loadings of above 0.8 on this factor. The communalities for statements are all above 0.3.

The factor mean calculated at 2.86 which is an indication that the respondents tended to disagree with the statements contained in the factor.

According to the item-level results presented in table 5.14 it seems that the respondents tended to disagree that technology is currently used to monitor fuel consumption (mean of 2.89) and that technology is used to monitor the utilization of vehicles (mean of 2.85).

The “*Fleet Management System*” factor shows good reliability with a Cronbach’s Alpha Coefficient of 0.873.

5.7.2.4 Factor Four (4): Master Systems Plan (MSP)

Statements 6, 7 and 8 loaded on factor four (4). These statements are related to the “*Master Systems Plan (MSP)*” factor. Both statements 6 and 7 have factor loadings of above 0.8 whilst statement 8 loaded above 0.6 on this factor. The communalities for statements are all above 0.3.

The factor mean calculated at 2.93 which is an indication that the respondents tended to disagree with the statements contained in the factor.

An interpretation of the results indicates that the respondents tended to disagree that the municipality developed and approved a Master Systems Plan (MSP) (mean of 2.82); that the MSP is aligned with the core service delivery processes (mean of 2.91); and that the MSP is in full support of the strategy (mean of 3.04).

The “*Master Systems Plan (MSP)*” factor shows good reliability with a Cronbach’s Alpha Coefficient of 0.920.

5.7.3 Factor Correlation Matrix^a

The Pearson correlations between the extracted factors for the “*Systems and Technology*” enabler are reported in table 5.17 below.

Table 5.17: Factor Correlation Matrix^a

Factors: Systems and Technology		1	2	3	4
1.	Technology Support	1.000	0.468	0.393	0.560
2.	Financial System	0.468	1.000	0.086	0.202
3.	Fleet Management System	0.393	0.086	1.000	0.359
4.	Master Systems Plan (MSP)	0.560	0.202	0.359	1.000

All factors within the “*Technology Support*” enabler had medium to large correlations, except for the correlation between factors 2 and 4 which is small to medium and between factors 2 and 3 which is small. The “*financial*” nature of factor 2 could be the reason why the correlations with factors 3 and 4 are small.

5.7.4 Review of Systems and Technology

The results supported the findings in the literature review and discussion in chapter 2 (par. 2.3.5) in terms of the role of systems and technology in ensuring successful strategy execution and the fact that it could be a barrier if not effective. The “*Systems and Technology*” enabler is in the survey explained by four (4) factors: (1) “*Technology Support*”; (2) “*Financial System*”; (3) “*Fleet Management System*”; and (4) “*Master Systems Plan (MSP)*”.

It is evident from the preceding results that the respondents tended to disagree with the statements contained in the “*Systems and Technology*” enabler. Possible areas that require attention across the four (4) factors are:

- the full alignment and integration of information, communication and technology (ICT) systems;
- the provision of accurate management information;
- the utilization of strategy execution control mechanisms;

- the business processes must support strategy execution;
- procedural manuals for all (ICT) systems;
- an early warning system that monitors high impact service breakdowns;
- a system that monitors time and attendance of staff;
- the utilization of effective billing systems;
- the utilization of technology to monitor fuel consumption;
- the utilization of technology to manage the vehicle fleet;
- an approved master systems plan (MSP) that supports strategy execution; and
- the alignment of the MSP and the core service delivery processes.

5.8 POLICIES, PROCESSES AND PROCEDURES

5.8.1 Frequencies and Descriptive Statistics

The frequency and descriptive statistical results of the *“Policies, Processes and Procedures”* enabler are reported in table 5.18 below.

Table 5.18 follows on next page

Table 5.18: Frequencies and Descriptive Statistics

Statement Q6.1	Policies, Processes and Procedures Statements	Strongly Agree %	Somewhat Agree %	Somewhat Disagree %	Strongly Disagree %	Don't Know %	Number Missing	Mean	Standard Deviation
		1	2	3	4	5			
1	The regulatory framework (acts, regulations and policies) enables successful strategy execution.	22.4	46.2	16.9	11.3	3.2	0	2.18	0.92
2	A simplified organisational structure is currently implemented.	15.6	32.7	21.4	24.0	6.3	0	2.57	1.04
3	The political mandate is translated into policy directives.	22.7	45.4	16.4	9.2	6.3	0	2.13	0.89
4	The business processes responsible for delivering the core services of the municipality are simplified.	11.6	37.5	26.4	18.7	5.8	0	2.55	0.94
5	All policies are at least annually reviewed.	11.1	23.0	27.7	31.7	6.6	0	2.86	1.02
6	The municipality maintains an updated policy manual.	14.8	25.3	25.6	22.7	11.6	0	2.64	1.04
7	All existing policies are supported by simplified Standard Operating Procedures (SOPs).	5.0	23.7	26.9	31.9	12.4	0	2.98	0.93
8	The business processes are aligned to the strategic objectives.	12.1	40.4	24.3	15.6	7.7	0	2.47	0.92
9	The business processes are effective in delivering services.	10.3	33.8	34.3	17.9	3.7	0	2.62	0.91
10	The business processes are supported by the required delegated powers.	13.5	33.0	28.8	20.8	4.0	0	2.59	0.98
11	The policies of the municipality contribute towards speeding up decision-making.	12.4	33.2	31.4	20.3	2.6	0	2.61	0.95
12	The municipality's policies empower operational managers to implement projects.	12.1	36.4	29.8	17.9	3.7	0	2.56	0.93
13	A <i>Strategy Execution Policy</i> exists.	6.3	10.8	15.8	33.0	34.0	0	3.14	1.01
14	A <i>Performance Management and Audit Policy</i> exists.	41.7	31.9	10.8	8.4	7.1	0	1.85	0.95
15	The municipality's current delegated powers are enhancing strategy execution.	14.2	29.3	29.6	20.6	6.3	0	2.60	0.99
16	The decision-making processes are effective and in support of strategy execution.	12.7	32.5	28.8	19.5	6.6		2.59	0.97



Benchmark for each Statement

The benchmark (ideal) in terms of responses for every statement is marked (filled with grey) in the table above. In this section the response benchmark for all the statements is one (1) “*Strongly Agree*”.

The results in table 5.18 confirm that the municipalities experience challenges when it comes to “*Policies, Processes and Procedures*” – the majority of the statements calculated a mean above 2.5. This supports the literature (chapter 2 – par. 2.3.5) where it highlights that policies, processes and procedures could be stumbling blocks in the strategy execution process. The detail results of the enabler will be discussed as part of the factor analysis.

5.8.2 Factor Analysis

A factor analysis was conducted on the 16 statements of the “*Policies, Processes and Procedures*” enabler as to explore the factorial structure.

The results of the KMO Measure of Sampling Adequacy, P-value of Bartlett’s Test of Sphericity and the Determinant of Correlation Matrix are reported in table 5.19 below.

Table 5.19: KMO, Bartlett’s Test and Determinant of Correlation Matrix

KMO, Bartlett’s Test and Determinant of Correlation Matrix	Value
Kaiser-Meyer-Olkin Measure of Sampling Adequacy (KMO)	0.937
P-Value of Bartlett’s Test of Sphericity	<0.001
Determinant of Correlation Matrix	2.413E-005

The KMO Measure of Sampling Adequacy measured 0.937 (superb according to Field, 2009:647) which suggests that the sample size is adequate for factor analysis. The P-Value of Bartlett’s Test of Sphericity returned a value smaller than 0.05, indicating that correlations between statements were sufficiently large. The Determinant of

Correlation Matrix measured > 0.00001 , which indicates that there is not too severe a multicollinearity in the data.

After exploring various multifactor solutions, it was decided to use two (2) factors to explain the “*Policies, Processes and Procedures*” section. The two (2) factors each had eigenvalues above Kaiser’s criterion of 1.0 (Field, 2009:671) and in combination cumulatively explained a favourable 60.8% of the variance. The two-factor solution also made theoretical sense. The results of the factor analysis for the “*Policies, Processes and Procedures*” enabler are reported in table 5.20 below.

Table 5.20: Pattern Matrix^a

Enabler: Policies, Processes and Procedures			
Statement Q6.1	Factor 1	Factor 2	Communalities
	Processes, Procedures and Governance	Policies	
16	.913	-.118	.712
15	.905	-.138	.680
10	.832	-.012	.679
11	.798	.048	.687
12	.746	.076	.633
3	.703	-.102	.415
4	.676	.143	.600
9	.642	.225	.645
2	.642	.053	.458
8	.563	.289	.605
14	.513	.003	.265
13	.471	.340	.538
1	.460	.126	.301
6	-.032	.766	.557
5	.057	.679	.514
7	.277	.560	.585
Cronbach’s Alpha	0.946	0.782	
Factor Mean	2.49	2.83	
Factor Standard Deviation	0.72	0.85	

All the statements on each factor loaded above 0.4. The enabler mean calculated at 2.56 which is an indication that the statements contained in this section of the questionnaire are viewed by the respondents as evenly balanced between positive and negative.

5.8.2.1 Factor One (1): Processes, Procedures and Governance

Statements 1, 2, 3, 4, 8, 9, 10, 11, 12, 13, 14, 15 and 16 loaded on factor one (1). These statements are related to the “*Processes, Procedures and Governance*” factor. Statements 15 and 16 have factor loadings of above 0.9, statement 10 loaded above 0.8, statements 3, 11, and 12 loaded above 0.7. Statements 2, 4 and 9 loaded above 0.6 whilst statements 1, 8, 13 and 14 have satisfactory factor loadings above 0.4 on this factor. The communalities for statements are all above 0.3.

The factor mean calculated at 2.49 which is an indication that respondents tended to evenly disagree and agree with the factor and its statements.

According to the item-level results presented in table 5.18 it seems that the respondents tended to agree that the regulatory framework (acts, regulations and policies) is enabling strategy execution (mean of 2.18); that the political mandate is translated into policy directives (mean of 2.13); and that a performance management and audit policy exists (mean of 1.85).

The results however also revealed that the that the respondents tended to disagree that a simplified organisational structure is currently implemented (mean of 2.57); that the business processes responsible for delivering the core services are simplified (mean of 2.55); that processes are effective in delivering services (mean of 2.62); that the delegated powers and authority do support the business processes (mean of 2.59) and the execution of the strategy (mean of 2.60); that the policies do support speedy decision making (mean of 2.61); that policies are empowering the operational managers

to implement projects (mean of 2.56); that there is a policy that regulates strategy execution (mean of 3.14); and that decision making processes are effective in supporting strategy execution (mean of 2.59).

The “*Processes, Procedures and Governance*” factor shows good reliability with a Cronbach’s Alpha Coefficient of 0.946.

5.8.2.2 Factor Two (2): Policies

Statements 5, 6 and 7 loaded on factor two (2). These statements are related to the “*Policies*” factor. All these statements have a satisfactorily factor loading of above 0.5 on this factor. The communalities for statements are all above 0.3.

The factor mean calculated at 2.83 which is an indication that the respondents tended to disagree with the statements contained in the factor.

According to the item-level results presented in table 5.18 it seems that the respondents tended to disagree that existing policies are supported by simplified Standard Operating Procedures (SOPs) (mean of 2.98); that all policies are reviewed on an annual basis (mean of 2.86); and that the policy manual is on a regular basis updated and maintained (mean of 2.64).

The “*Policies*” factor shows good reliability with a Cronbach’s Alpha Coefficient of 0.782.

5.8.3 Factor Correlation Matrix^a

The Pearson correlations between the extracted factors for the “*Policies, Processes and Procedures*” enabler are reported in table 5.21 below.

Table 5.21: Factor Correlation Matrix^a

Factors: Policies, Processes and Procedures		1	2
1.	Processes, Procedures and Governance	1.000	0.628
2.	Policies	0.628	1.000

The correlations coefficient of the factor pair within the “*Policies, Processes and Procedures*” enabler is greater than 0.6, which denotes a large correlation.

5.8.4 Review of Policies, Processes and Procedures

The results supported the findings in the literature review and discussion in chapter 2 (par. 2.3.5) in terms of the importance of policies, processes and procedures in ensuring successful strategy execution and the fact that it could be a barrier if not fully effective.

The “*Policies, Processes and Procedures*” enabler is in the survey explained by two (2) factors: (1) “*Processes, Procedures and Governance*”, and (2) “*Policies*”. The enabler mean calculated at 2.56 which is an indication that the statements contained in the enabler are viewed by the respondents as evenly balanced between positive and negative. It is evident from the preceding results that the enabler in support of execution is not entirely positive and under control.

Areas that possibly require attention across the two (2) factors are:

- the existing business processes are not effective in delivering services;
- the existing delegated powers do not support the business processes;
- the existing policies do not support speedy decision-making;
- the existing policies do not empower the operational managers in implementing projects;
- the development of a policy regulating strategy execution;
- the existing decision-making processes are not effective in supporting strategy

execution;

- the existing policies are not supported by simplified Standard Operating Procedures (SOPs);
- the review of all policies on an annual basis; and
- the maintaining and regular updating of a policy manual.

5.9 RESOURCES AND BUDGETING

5.9.1 Frequencies and Descriptive Statistics

The frequency and descriptive statistical results of the “*Resources and Budgeting*” enabler are reported in table 5.22 below.

Table 5.22: Frequencies and Descriptive Statistics: Resources and Budgeting

Statement Q7.1	Resources and Budgeting Statements	Strongly Agree %	Somewhat Agree %	Somewhat D Disagree %	Strongly Disagree %	Don't Know %	Number Missing	Mean	Standard Deviation
		1	2	3	4	5			
1	There is alignment between the strategy and the allocated resources (finance, HR, equipment, and more).	11.9	29.0	29.0	25.6	4.5	0	2.71	0.99
2®	The capital budget (CAPEX) was under spent during the previous financial year.	23.7	27.7	11.9	19.0	17.7	0	2.32	1.12
3®	More than 50% of the maintenance budget was actually spent during the last quarter (April – June) of the previous financial year.	21.9	28.0	13.2	10.0	26.9	0	2.15	1.00
4®	More than 50% of the capital budget (CAPEX) was actually spent during the last quarter of the previous financial year (April – June).	23.0	25.3	16.4	11.6	23.7	0	2.22	1.04
5	There are adequate financial resources available to achieve the strategy.	8.7	18.7	26.9	40.9	4.7	0	3.05	1.00
6	Detailed project implementation plans are drafted during the planning process.	19.3	32.5	21.4	18.7	8.2	0	2.43	1.04
7	Capital projects are assessed in terms of its readiness to be implemented <u>before</u> it's considered for funding.	16.1	27.4	24.0	20.1	12.4	0	2.55	1.04
8®	The approved capital budget is annually under spent (CAPEX).	18.7	26.4	17.7	20.8	16.4	0	2.49	1.09

Statement Q7.1	Resources and Budgeting Statements	Strongly Agree %	Somewhat Agree %	Somewhat Disagree %	Strongly Disagree %	Don't Know %	Number Missing	Mean	Standard Deviation
		1	2	3	4	5			
9®	The operational budget is annually under spent.	9.0	20.3	25.9	31.4	13.5	0	2.92	1.00
10	The municipality's strategy is underpinned by a financial plan.	21.1	32.5	21.9	10.8	13.7	0	2.26	0.97
11	The municipality is doing well when it comes to value for money spending.	12.4	29.6	25.1	25.9	6.1	0	2.71	1.02
12	The operational budget is fully allocated to the SDBIP.	24.5	35.9	19.3	11.6	8.7	0	2.20	0.98
13	The capital budget is fully allocated to the SDBIP.	30.1	36.7	15.6	8.7	9.0	0	2.03	0.94
14	The 5-Year IDP is underpinned by a 5-year financial plan.	26.9	35.6	15.6	12.4	9.5	0	2.15	1.00
15®	The Supply Chain Management (SCM) process delays strategy execution.	38.8	26.1	17.2	13.2	4.7	0	2.05	1.07
16	The SCM committees are meeting at least on a weekly basis.	21.6	21.9	13.7	20.3	22.4	0	2.42	1.15
17	More than 80% of the capital projects are executed by external contractors.	39.8	28.5	7.4	6.9	17.4	0	1.77	0.92
18	More than 80% of the maintenance projects are executed by external contractors.	27.7	25.1	18.7	9.8	18.7	0	2.13	1.02
19	External contractors are well managed.	10.1	28.3	26.7	23.0	11.9	0	2.71	0.98

® Reversed Statement

 Benchmark for each Statement

The benchmark (ideal) in terms of responses for every statement is marked (filled with grey) in the table above. In this section the response benchmark for all the statements is one (1) “*Strongly Agree*” except for reversed statements 2, 3, 4, 8, 9 and 15 where the benchmark is four (4) “*Strongly Disagree*”.

The results in table 5.22 confirm that the municipalities experience challenges when it comes to “*Resources and Budgeting*” – a number of the statements calculated a mean above 2.5 and below 2.5 in the case of reversed statements. This supports the literature (chapter 2 – par. 2.3.7) where it highlights that availability of resources and a budget

that is aligned to the strategy could be stumbling blocks in the execution process. The detailed results of the enabler will be discussed as part of the factor analysis.

5.9.2 Factor Analysis

A factor analysis was conducted on the 19 statements of the *“Resources and Budgeting”* enabler as to explore the factorial structure.

After exploring various multifactor solutions, it was decided to use five (5) factors to explain the *“Resources and Budgeting”* section. The five (5) factors each had eigenvalues above Kaiser’s criterion of 1.0 (Field, 2009:671) and in combination cumulatively explained a favourable 60.3% of the variance. The five-factor solution also made theoretical sense. The results of the factor analysis for the *“Resources and Budgeting”* enabler are reported in table 5.23 below.

As seen in table 5.24, statement 15 loaded on the fifth factor. However, this statement’s correlation with the total of the remainder of the statements in factor 5 was -0.042 after reversing the scores due to the statement’s reverse phrasing. After removal of the statement, Cronbach’s Alpha for factor five (5) increased from 0.651 to 0.797. The exclusion of statement 15 from this section will not have a negative effect on the survey and it was subsequently decided not to use it.

Table 5.23 follows on the next page

Table 5.23: Pattern Matrix^a (Statement 15 Included)

Statement Q7.1	Factor 1	Factor 2	Factor 3	Factor 4	Factor 5
	Resources and Project Execution	Annual Spending	Under Spending	External Contractors	SDBIP and Budget Alignment
6	.669	-.015	-.022	-.001	-.122
7	.660	.053	.042	.019	-.114
11	.634	-.097	-.080	-.103	-.220
19	.619	-.066	-.137	.056	-.032
1	.440	.086	.064	-.081	-.238
5	.349	.253	.237	-.083	-.062
6	.669	-.015	-.022	-.001	-.122
16	.243	.058	-.104	.117	.097
3	-.109	.855	.034	-.020	-.129
4	.014	.680	-.038	-.002	.114
8	.025	.028	.885	.049	.027
2	.041	-.057	.687	.019	.051
9	-.075	.062	.542	-.046	.082
17	.164	-.079	.060	.799	-.054
18	-.100	.035	-.019	.746	-.019
13	.211	-.110	-.033	.056	-.793
12	.238	-.045	-.101	.050	-.674
14	.081	.131	-.173	.029	-.533
10	.302	.142	-.045	-.064	-.352
15	-.159	-.017	.116	.099	-.184

A second factor analysis was conducted on all statements, except statement 15 (see table 5.25).

The results of the KMO Measure of Sampling Adequacy, P-value of Bartlett's Test of Sphericity and the Determinant of Correlation Matrix, without statement 15, are reported in table 5.24 below.

Table 5.24: KMO, Bartlett's Test and Determinant of Correlation Matrix (excluding statement 15)

KMO, Bartlett's Test and Determinant of Correlation Matrix	Value
Kaiser-Meyer-Olkin Measure of Sampling Adequacy (KMO)	.779
P-Value of Bartlett's Test of Sphericity	<0.001
Determinant of Correlation Matrix	.001

The KMO Measure of Sampling Adequacy measured 0.78 (good according to Field, 2009:647) which suggests that the sample size is adequate for factor analysis. The P-Value of Bartlett's Test of Sphericity returned a value smaller than 0.05, indicating that correlations between statements were sufficiently large. The Determinant of Correlation Matrix measured > 0.00001 , which indicates that there is not too a severe multicollinearity in the data.

The results of the factor analysis for the "*Resources and Budgeting*" enabler after removal of statement 15 are reported in table 5.25.

Table 5.25: Pattern Matrix^a

Enabler: Resources and Budgeting						
Statement Q7.1	Factor 1	Factor 2	Factor 3	Factor 4	Factor 5	Communalities
	Resources and Project Execution	Annual Spending	Under Spending	External Contractors	SDBIP and Budget Alignment	
6	.735	-.050	-.010	-.027	-.061	.527
7	.708	.021	.057	-.001	-.069	.507
11	.537	-.059	-.165	.014	-.095	.575
19	.529	-.086	-.103	-.129	-.277	.463
1	.340	.089	.058	-.090	-.297	.353
5	.303	.249	.226	-.089	-.092	.287

Table 5.25: Pattern Matrix^a (Continued)

Enabler: Resources and Budgeting						
Statement Q7.1	Factor 1	Factor 2	Factor 3	Factor 4	Factor 5	Communalities
	Resources and Project Execution	Annual Spending	Under Spending	External Contractors	SDBIP and Budget Alignment	
16	.231	.057	-.111	.103	.070	.097
3®	-.136	.871	.046	-.013	-.147	.725
4®	.048	.664	-.044	-.023	.120	.469
8®	.006	.018	.882	.077	.020	.768
2®	-.001	-.057	.673	.036	.020	.446
9®	-.069	.060	.534	-.025	.088	.352
17	-.106	.043	.026	.811	-.039	.681
18	.111	-.092	.077	.738	-.108	.569
13	.004	-.102	.021	.081	.902	.803
12	.032	-.029	-.061	.073	.798	.654
14	.043	.116	-.112	.047	.516	.385
10	.261	.130	-.016	-.059	.353	.355
Cronbach's Alpha	0.753	0.724	0.743	0.742	0.797	
Factor Mean	2.66	2.81	2.42	1.94	2.17	
Factor Std Deviation	0.676	0.92	0.89	0.87	0.77	

All the statements on each factor loaded above 0.3, except for statement 16. The enabler mean calculated at 2.47 which is an indication that the statements contained in this section of the questionnaire are viewed by the respondents as evenly balanced between positive and negative.

5.9.2.1 Factor One (1): Resources and Project Execution

Statements 1, 5, 6, 7, 11, 16 and 19 loaded on factor one (1). These statements are related to the “*Resources and Project Execution*” factor. Statements 6 and 7 have factor loadings of above 0.7, whilst statements 11 and 19 loaded above 0.6. Statements 1 and 5 also loaded satisfactorily with a factor loading of above 0.3 on this factor. Statement 16 loaded below 0.243 and does not load substantially on any other factor. It deals with

Supply Chain Management (SCM), and will be retained due to the fact that the statement is relevant to the factor.

The communalities for statements are all above 0.3 except for statements 5 (0.287) and 16 (0.097). The Cronbach's Alpha Coefficient of this factor with all the items included yielded a value of 0.753 which shows sufficient reliability.

The factor mean calculated at 2.66 which is an indication that the respondents tended to slightly disagree with the statements contained in the factor.

According to the item-level results presented in table 5.22 it seems that the respondents tended to agree that the Supply Chain Management (SCM) committees are meeting on a weekly basis (mean of 2.42); and that detailed implementation plans are drafted during the planning process (mean of 2.43).

The results, however, also revealed that the respondents tended to disagree that there is alignment between the strategy and the allocated resources (mean of 2.71); that adequate financial resources are provided to achieve the strategy (mean of 3.05); that the implementation readiness of capital projects is considered before funding is allocated (mean of 2.55); that there is value for money spending (mean of 2.71); and that external service providers and contractors are well managed (mean of 2.71).

The “*Resources and Project Execution*” factor shows good reliability with a Cronbach's Alpha Coefficient of 0.753.

5.9.2.2 Factor Two (2): Annual Spending

Statements 3 and 4 loaded on factor two (2). These statements are related to the “*Annual Spending*” factor. Statement 3 has a factor loading of above 0.8, whilst Statements 4 also loaded satisfactorily with a factor loading of above 0.6 on this factor. The communalities for statements are all above 0.3.

The factor comprises reversed statements and the mean calculated at 2.81 which is an indication that the respondents tended to agree with the statements contained in the factor.

According to the item-level results presented in table 5.22 it seems that the respondents tended to agree that more than 50% of the maintenance budget (mean of 2.15) and the capital budget (mean of 2.22) are being spent during the last quarter of the financial year which could point towards a possible lack of proper planning and scheduling of projects.

The “*Annual Spending*” factor shows good reliability with a Cronbach’s Alpha Coefficient of 0.724.

5.9.2.3 Factor Three (3): Under Spending

Statements 2, 8 and 9 loaded on factor three (3). These statements are related to the “*Under Spending*” factor. Statement 8 has a factor loading of above 0.8, whilst statements 2 and 9 also loaded satisfactorily with a factor loading of above 0.5 on this factor. The communalities for statements are all above 0.3.

The factor comprises reversed statements and the mean calculated at 2.42 which is an indication that the statements contained in the factor are viewed by the respondents as evenly balanced between agree and disagree.

According to the item-level results presented in table 5.22 it seems that the respondents tended to agree that the operational budget is annually spent (mean of 2.92).

The results, however, also revealed that the respondents tended to agree that the capital budget is under spent (mean of 2.32).

The “*Under Spending*” factor shows good reliability with a Cronbach’s Alpha Coefficient of 0.743.

5.9.2.4 Factor Four (4): External Resources

Statements 17 and 18 loaded on factor four (4). These statements are related to the “*External Resources*” factor. Both statements have factor loadings of above 0.7 on this factor. The communalities for statements are all above 0.3.

The factor mean calculated at 1.94 which is an indication that the respondents tended to agree with the statements contained in the factor.

According to the item-level results presented in table 5.22 it seems that more than 80% of capital projects (mean of 1.77) and 80% of maintenance projects (mean of 2.13) are executed by external contractors.

The “*External Resources*” factor shows good reliability with a Cronbach’s Alpha Coefficient of 0.742.

5.9.2.5 Factor Five (5): SDBIP and Budget Alignment

Statements 10, 12, 13, and 14 loaded on factor four (4). These statements are related to the “*SDBIP and Budget Alignment*” factor. Statement 13 has a factor loading of above 0.9 and statement 12 loaded at above 0.7. Statements 14 and 10 loaded satisfactorily at 0.517 and 0.355 respectively on this factor. The communalities for statements are all above 0.3.

The factor mean calculated at 2.17 which is an indication that the respondents tended to agree with the statements contained in the factor.

According to the item-level results presented in table 5.22 it seems that the municipality’s strategy (mean of 2.26) and 5-year IDP (mean of 2.15) is underpinned by

a financial plan; and both the operational (mean of 2.20) and capital budget (mean of 2.03) are fully allocated to the SDBIP.

The “*SDBIP and Budget Alignment*” factor shows good reliability with a Cronbach’s Alpha Coefficient of 0.797.

5.9.3 Factor Correlation Matrix^a

The Pearson correlations between the extracted factors for the “*Resources and Budgeting*” enabler are reported in table 5.26 below.

Table 5.26: Factor Correlation Matrix^a

Factors: Resources and Budgeting		1	2	3	4	5
1.	Resources and Project Execution	1.000	0.275	0.355	0.057	0.362
2.	Annual Spending	0.275	1.000	0.105	0.205	0.057
3.	Under Spending	0.355	0.105	1.000	0.064	0.033
4.	External Resources	0.057	0.205	0.064	1.000	0.108
5.	SDBIP and Budget Alignment	0.362	0.057	0.033	0.108	1.000

All factors within the “*Resources and Budgeting*” enabler had medium to large correlations, except for a small to medium correlation between factor 2 and factor 4, and small correlations between factor 1 and factor 4; factor 2 and factor 5; factor 3 and factor 5; and factor 4 and factor 5.

5.9.4 Review of Resources and Budgeting

The results supported the findings in the literature review and in chapter 2 (par. 2.3.7) and 3 (par. 3.4) in terms of the importance of resources and budgeting in ensuring successful strategy execution and the fact that it could be a barrier if not well resourced and fully effective.

The “*Resources and Budgeting*” enabler is explained in the survey by five (5) factors: (1) “*Resources and Project Execution*”; (2) “*Annual Spending*”; (3) “*Under Spending*”;

(4) “*External Resources*”; and (5) “*SDBIP and Budget Alignment*”.

The enabler mean calculated at 2.47 which is an indication that the statements contained in this section of the questionnaire are viewed by the respondents as evenly balanced between agree and disagree.

Areas that possibly require attention across the five (5) factors are:

- the resource and strategy alignment;
- the provision of adequate financial resources to achieve the strategy;
- the implementation readiness of capital projects before funding is considered;
- value for money spending;
- the effective management of external contractors;
- improving the execution of the maintenance budget; and
- improving the execution of the capital budget.

5.10 SERVICES AND CUSTOMER CARE

5.10.1 Frequencies and Descriptive Statistics

The frequency and descriptive statistical results of “*Services and Customer Care*” are reported in table 5.27.

Table 5.27 follows on next page

Table 5.27: Frequencies and Descriptive Statistics: Services and Customer Care

Statement Q8.1	Services and Customer Care Statements	Strongly Agree %	Somewhat Agree %	Somewhat Disagree %	Strongly Disagree %	Don't Know %	Number Missing	Mean	Standard Deviation
		1	2	3	4	5			
1	The municipality's Customer Relations Management (CRM) is effective.	9.5	22.2	26.9	34.8	6.6	0	2.93	1.01
2	Customer complaints are responded to within 24 hours.	6.3	20.6	26.6	39.3	7.1	0	3.06	0.96
3	All telephone calls received from customers are answered.	11.9	24.0	20.8	34.6	8.7	0	2.85	1.07
4	All e-mails received from customers are answered within 24 hours.	7.7	22.2	27.7	31.7	10.8	0	2.93	0.97
5	Enough vehicles are available to ensure effective service delivery.	6.9	20.6	26.1	35.4	11.1	0	3.01	0.97
6	The required operational equipment is available to ensure effective service delivery.	6.6	25.6	29.6	30.1	8.2	0	2.90	0.94
7	The Key Success Factors (KSFs) for each service are incorporated into the planning process.	7.1	35.6	26.1	16.9	14.2	0	2.61	0.89
8	Customer data such as complaints received are used to identify the needs and expectations of customers.	11.1	28.2	24.8	24.5	11.3	0	2.71	1.01
9	Minimum service standards were approved by the council.	22.7	30.9	15.0	13.7	17.7	0	2.24	1.03
10	Minimum service standards are fully implemented.	14.2	29.8	23.2	16.6	16.1	0	2.50	0.99
11	Deviations from the approved minimum service standards are closely monitored.	12.9	24.0	26.1	18.7	18.2	0	2.62	1.01
12	The municipality understands what their customers need and expect.	21.9	39.1	20.1	13.7	5.3	0	2.27	0.98
13	Resources are primarily targeting the needs of the customers.	15.3	39.1	22.7	17.4	5.5	0	2.45	0.97
14	The municipality has a five (5) year Maintenance Master Plan (MMP).	10.3	16.1	15.6	24.5	33.5	0	2.82	1.10
15	Maintenance programs at departmental level are scheduled in detail for every month of the year.	8.7	17.7	19.3	31.4	23.0	0	2.95	1.04
16	The quality of maintenance performed by external contractors is well managed.	10.6	24.5	23.2	26.9	14.8	0	2.78	1.03
17	A service delivery index (made up of the relevant KPIs) is utilized to monitor service delivery as experienced by customers.	11.6	25.1	23.0	23.2	17.2	0	2.70	1.03
18	Customer satisfaction surveys are conducted at least annually.	18.5	16.4	14.5	32.2	18.5	0	2.74	1.20
19	External contractors appointed to deliver services are well managed.	10.6	28.8	25.9	25.3	9.5	0	2.73	1.00



Benchmark for each Statement

The benchmark (ideal) in terms of responses for every statement is marked (filled with grey) in the table above. In this section the response benchmark for all the statements is one (1) “*Strongly Agree*”.

The results in table 5.27 confirm that the Gauteng municipalities experience challenges when it comes to “*Services and Customer Care*” – the majority of the statements calculated a mean above 2.5. This supports the literature (chapter 2 – par. 2.3.8 and chapter 3 – par. 3.2) where it indicates the importance of “*Services and Customer Care*” as ultimate objective and outcome of the strategy execution process in municipalities. The results furthermore confirm the poor service delivery and customer dissatisfaction findings of the Overview Report (SA, 2009a:4-6; 71-75). The detailed results will be discussed as part of the factor analysis.

5.10.2 Factor Analysis

A factor analysis was conducted on the 19 statements of “*Services and Customer Care*” as to explore the factorial structure.

The results of the KMO Measure of Sampling Adequacy, P-value of Bartlett’s Test of Sphericity and the Determinant of Correlation Matrix are reported in table 5.28 below.

Table 5.28: KMO, Bartlett’s Test and Determinant of Correlation Matrix

KMO, Bartlett’s Test and Determinant of Correlation Matrix	Value
Kaiser-Meyer-Olkin Measure of Sampling Adequacy (KMO)	0.914
P-Value of Bartlett’s Test of Sphericity	<0.001
Determinant of Correlation Matrix	3.241E-006

The KMO Measure of Sampling Adequacy measured 0.914 (superb according to Field, 2009:647) which suggests that the sample size is adequate for factor analysis. The P-Value of Bartlett’s Test of Sphericity returned a value smaller than 0.05, indicating

that correlations between statements were sufficiently large. The Determinant of Correlation Matrix measured < 0.00001 , which is an indication that multicollinearity could have been a problem in the factor analysis.

After exploring various multifactor solutions, it was decided to use three (3) factors to explain “*Services and Customer Care*”. The three (3) factors each had eigenvalues above Kaiser’s criterion of 1.0 (Field, 2009:671) and in combination cumulatively explained a favourable 63.7% of the variance. The three-factor solution also made theoretical sense. The results of the factor analysis for “*Services and Customer Care*” are reported in table 5.29 below.

Table 5.29: Pattern Matrix^a

Services and Customer Care				
Statement Q8.1	Factor 1	Factor 2	Factor 3	Communalities
	Service Standards and Delivery	Service Equipment	Customer Relations Management (CRM)	
9	.769	.010	-.197	.465
11	.737	-.078	.119	.608
18	.703	.053	-.203	.404
15	.667	.102	.071	.578
17	.656	-.006	.183	.596
14	.637	.064	.048	.484
12	.636	.016	.131	.527
13	.625	.061	.163	.576
16	.604	-.034	.246	.572
10	.574	-.012	.112	.408
19	.569	-.063	.273	.538
8	.473	.147	.287	.565
7	.352	.306	.156	.424
5	-.024	.856	-.040	.700
6	.008	.838	.053	.733

Table 5.29: Pattern Matrix^a (Continued)

Services and Customer Care				
Statement Q8.1	Factor 1	Factor 2	Factor 3	Communalities
	Service Standards and Delivery	Service Equipment	Customer Relations Management (CRM)	
3	-.015	.079	.855	.756
4	.054	.090	.780	.707
2	.108	-.013	.772	.696
1	.173	.005	.700	.660
Cronbach's Alpha	0.938	0.834	0.909	
Factor Mean	2.62	2.95	2.95	
Factor Standard Deviation	0.74	0.89	0.88	

All the statements on each factor loaded above 0.3. The factor mean calculated at 2.73 which is an indication that the respondents tended to disagree with the statements contained in this section of the questionnaire.

5.10.2.1 Factor One (1): Service Standards and Delivery

Statements 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18 and 19 loaded on factor one (1). These statements are related to the “*Service Standards and Delivery*” factor. Statements 9, 11 and 18 have factor loadings of above 0.7, whilst statements 12, 13, 14, 15, 16 and 17 have a factor loading of above 0.6. Statements 10 and 19 loaded above 0.5 whilst 8 loaded above 0.4. Statement 7 loaded satisfactorily above 0.3 on this factor. The communalities for statements are all above 0.3.

The factor mean calculated at 2.62 which is an indication that the respondents tended to slightly disagree with the statements contained in the factor.

According to the item-level results presented in table 5.26 it seems that the respondents tended to agree that minimum service standards were approved by a number of the municipalities (mean of 2.24); that the minimum service standards were implemented by a number of municipalities (mean of 2.50); that the municipalities understand the needs and expectations of the customers (mean of 2.27); and that the resources are primarily targeting the needs of the customers (mean of 2.45).

The results, however, also revealed that the respondents tended to disagree that there is quality control of external contractors executing maintenance contracts (mean of 2.78) and rendering services (mean of 2.73); that Key Success Factors (KSFs) for each service were identified and incorporated into the planning process (mean of 2.61); that the utilization of customer information (such as complaints received) is used to identify the needs and expectations of customers (mean of 2.71); that the deviations from minimum service standards are monitored (mean of 2.62); that a 5-year maintenance master plan per service has been developed (mean 2.82); that the departmental maintenance programs are scheduled in detail for every month of the year (mean of 2.95); that a service delivery index is implemented to monitor service delivery (mean of 2.70); and that annual customer satisfaction surveys are conducted (mean of 2.74).

The “*Service Standards and Delivery*” factor shows good reliability with a Cronbach’s Alpha Coefficient of 0.938.

5.10.2.2 Factor Two (2): Service Equipment

Statements 5 and 6 loaded on factor two (2). These statements are related to the “*Service Equipment*” factor. Both statements have a factor loading of above 0.8 on this factor. The communalities for statements are all above 0.3.

The factor mean calculated at 2.95 which is an indication that the respondents tended to disagree with the statements contained in the factor.

According to the item-level results presented in table 5.26 it seems that the respondents tended to disagree that there are enough vehicles to ensure effective service delivery (mean of 3.01); and that there is enough operational equipment to ensure effective service delivery (mean of 2.90).

The “*Service Equipment*” factor shows good reliability with a Cronbach’s Alpha Coefficient of 0.834.

5.10.2.3 Factor Three (3): Customer Relations Management (CRM)

Statements 1, 2, 3 and 4 loaded on factor three (3). These statements are related to the “*Customer Relations Management (CRM)*” factor. Statement 3 has a factor loading above 0.8, whilst statements 1, 2 and 4 also loaded satisfactorily with a factor loading above 0.7 on this factor. The communalities for statements are all above 0.3.

The factor mean calculated at 2.95 which is an indication that the respondents tended to disagree with the statements contained in the factor.

According to the item-level results presented in table 5.26 it seems that the respondents tended to disagree that customer relations management (CRM) is effective (mean of 2.93); that customer complaints are responded to within 24 hours (mean of 3.06); and that all telephone calls are answered (mean of 2.85); and that all received e-mails are answered (mean of 2.93).

The “*Customer Relations Management (CRM)*” factor shows good reliability with a Cronbach’s Alpha Coefficient of 0.909.

5.10.3 Factor Correlation Matrix^a

The Pearson correlations between the extracted factors for “*Services and Customer Care*” are reported in table 5.30 below.

Table 5.30: Factor Correlation Matrix

Factors: Services and Customer Care		1	2	3
1.	Service Standards and Delivery	1.000	.442	.568
2.	Service Equipment	.442	1.000	.254
3.	Customer Relations Management	.568	.254	1.000

All the factors within “*Services and Customer Care*” had medium to large correlations.

5.10.4 Review of Services and Customer Care

The results supported the findings in the literature review in chapter 2 (par. 2.3.8) and 3 (par. 3.2) in terms of the importance of services and customer care and as ultimate objective and outcome of successful strategy execution. It also confirmed the findings of the Overview Report (SA, 2009a) that service delivery and customer satisfaction in municipalities are in distress. The “*Services and Customer Care*” calculated a negative mean of 2.73 (above 2.5). “*Services and Customer Care*” is in the survey explained by three (3) factors: (1) “*Service Standards and Delivery*”; (2) “*Service Equipment*”; and (3) “*Customer Relations Management*”.

The outcome mean calculated at 2.73 which is an indication that the respondents tended to disagree with the statements contained in “*Services and Customer Care*”. Areas that possibly require attention across the three (3) factors are:

- the quality control of services rendered by external contractors;
- minimum service standards were not implemented by a number of municipalities;
- the monitoring of minimum service standard deviations;
- the development of a 5-year maintenance master plan;
- the monthly scheduling of departmental maintenance programs;
- the development and utilization of a customer service delivery index;
- conducting annual customer satisfaction surveys and the utilization of the data to identify the needs and expectations of the customers;

- the identification of key success factors (KSFs) for each service and incorporating it into the planning process;
- the provision of enough vehicles and adequate operational equipment;
- effective Customer Relations Management (CRM) and responding to customer complaints; and
- the answering, within 24 hours, of all received telephone calls and e-mails.

5.11 PERFORMANCE MANAGEMENT

5.11.1 Frequencies and Descriptive Statistics

The frequency and descriptive statistical results of the “*Performance Management*” enabler are reported in table 5.31 below.

Table 5.31: Frequencies and Descriptive Statistics: Performance Management

Statement Q9.1	Performance Management Statements	Strongly Agree %	Somewhat Agree %	Somewhat Disagree %	Strongly Disagree %	Don't Know %	Number Missing	Mean	Standard Deviation
		1	2	3	4	5			
1	An operations planning centre is utilized to monitor strategy execution.	6.6	23.2	21.6	30.9	17.7	0	2.93	0.99
2	A productivity improvement program is implemented.	4.7	15.6	24.0	36.7	19.0	0	3.14	0.93
3	All projects at operational level are captured in the form of project charters.	10.6	24.3	23.2	27.2	14.8	0	2.79	1.03
4	All projects are weekly monitored and evaluated in terms of progress.	6.6	20.1	30.9	26.9	15.6	0	2.92	0.93
5	A standardized <u>one page</u> project progress report is utilized by all project managers.	4.7	14.8	24.8	34.3	21.4	0	3.13	0.92
6	The annual IDP is <u>fully</u> aligned to the individual performance score cards.	22.7	33.5	17.7	16.4	9.8	0	2.31	1.04
7	Performance auditing of the individual score cards of managers is independently done.	22.4	32.7	17.7	14.2	12.9	0	2.27	1.02

Statement Q9.1	Performance Management Statements	Strongly Agree %	Somewhat Agree %	Somewhat Disagree %	Strongly Disagree %	Don't Know %	Number Missing	Mean	Standard Deviation
		1	2	3	4	5			
8	The right KPIs that will ensure strategy execution are measured.	26.1	33.0	20.6	13.5	6.9	0	2.23	1.01
9	Every strategic objective is cascaded into SMART targets.	16.9	32.5	22.7	15.6	12.4	0	2.42	0.99
10	The Performance Management System (PMS) is rolled out to all levels of the municipality.	12.4	11.9	19.5	48.8	7.4	0	3.13	1.08
11	A Performance Audit Committee is established in the municipality.	49.1	18.7	7.4	11.3	13.5	0	1.78	1.06
12	The Performance Management System (PMS) of the municipality is effective.	12.9	28.8	28.5	21.4	8.4	0	2.64	0.99
13	The municipality developed a detailed set of Key Performance Indicators (KPIs) that will ensure the successful execution of the strategy.	25.3	42.2	15.6	9.8	7.1	0	2.10	0.92
14	Operational work teams execute tasks in accordance with clear and measurable job cards.	9.8	28.8	28.0	17.9	15.6	0	2.64	0.94
15	The Performance Management System (PMS) is in support of strategy execution.	19.0	37.7	18.5	14.2	10.6	0	2.31	0.98
16	Productivity is regularly measured in the municipality.	9.5	21.6	28.5	32.5	7.9	0	2.91	1.00
17	There is a common understanding of the priorities of the municipality.	16.1	32.5	22.4	24.0	5.0	0	2.57	1.04
18	There is a match between the goals and the reward system.	6.9	14.2	26.9	44.1	7.9	0	3.17	.950
19	There is a fair performance measuring system in the municipality.	8.7	21.4	24.0	39.3	6.6	0	3.01	1.01
20	Operational work teams are officially measured in terms of their performance.	6.6	18.2	25.9	39.6	9.8	0	3.09	0.96
21	The community will rate the municipality as <u>effective</u> in delivering the expected services.	8.7	27.7	25.3	28.5	9.8	0	2.82	0.99

 Benchmark for each Statement

The benchmark (ideal) in terms of responses for every statement is marked (filled with grey) in the table above. In this section the response benchmark for all the statements is one (1) “*Strongly Agree*”.

The results in table 5.31 confirm that the Gauteng municipalities experience challenges when it comes to “*Performance Management*” – the majority of the statements calculated a mean above 2.5. This supports the literature review (chapter 2) where it refers to the importance of performance management and that the lack thereof could be a stumbling block in the strategy execution process. The detailed results of the enabler will be discussed as part of the factor analysis.

5.11.2 Factor Analysis

An exploratory factor analysis was conducted on the 21 statements of the “*Performance Management*” enabler as to explore the factorial structure.

The results of the KMO Measure of Sampling Adequacy, P-value of Bartlett’s Test of Sphericity and the Determinant of Correlation Matrix are reported in table 5.32 below.

Table 5.32: KMO, Bartlett’s Test and Determinant of Correlation Matrix

KMO, Bartlett’s Test and Determinant of Correlation Matrix	Value
Kaiser-Meyer-Olkin Measure of Sampling Adequacy (KMO)	0.914
P-Value of Bartlett’s Test of Sphericity	<0.001
Determinant of Correlation Matrix	2.802E-006

The KMO Measure of Sampling Adequacy measured 0.914 (superb according to Field, 2009:647) which suggests that the sample size is adequate for factor analysis. The P-Value of Bartlett’s Test of Sphericity returned a value smaller than 0.05, indicating that correlations between statements were sufficiently large. The Determinant of Correlation Matrix measured < 0.00001 , which is an indication that multicollinearity could have been a problem in the factor analysis.

After exploring various multifactor solutions, it was decided to use two (2) factors to explain the “*Performance Management*” section. The two (2) factors each had eigenvalues above Kaiser’s criterion of 1.0 (Field, 2009:671) and in combination

cumulatively explained a favourable 54.3% of the variance. The two-factor solution also made theoretical sense. The results of the factor analysis for the “*Performance Management*” enabler are reported in table 5.33 below.

Table 5.33: Pattern Matrix^a

Statement Q9.1	Factor 1	Factor 2	Communalities
	Performance Monitoring and Evaluation	Productivity and Project Execution	
13	.822		.588
15	.741		.690
11	.702	.224	.376
12	.626		.489
8	.626		.605
9	.593	-.253	.630
7	.554		.484
19	.528	-.240	.630
6	.482	-.215	.526
14	.469	-.411	.648
3		.780	.499
2		.764	.665
5		.743	.542
4		.695	.543
1		.569	.572
20	.365	.451	.652
16	.338	.441	.556
17	.389	.413	.577
18	.361	.403	.580
21	.355	.393	.505
10	.225	.302	.315
Cronbach's Alpha	0.918	0.912	
Factor Mean	2.32	2.96	
Factor Standard Deviation	0.74	0.70	

All the statements on each factor loaded above 0.3. The enabler mean calculated at 2.68 which is an indication that the statements contained in this section of the questionnaire are viewed by the respondents as evenly balanced between positive and negative.

5.11.2.1 Factor One (1): Performance Monitoring and Evaluation

Statements 6, 7, 8, 9, 11, 12, 13, 14, 15 and 19 loaded on factor one (1). These statements are related to the “*Performance Monitoring and Evaluation*” factor. Statement 13 has a factor loading of above 0.8; statements 11 and 15 loaded above 0.7; statements 8 and 12 have a factor loading of above 0.6; statements 7, 9 and 19 loaded satisfactorily at above 0.5; and statements 6 and 14 loaded above 0.4 on this factor. The communalities for statements are all above 0.3.

The factor mean calculated at 2.32 which is an indication that the respondents tended to slightly agree with the statements contained in the factor. This factor deals primarily with management’s ability to manage and monitor the performance management of the municipality and the respondents are primarily members of the top and middle management which could make the results subjective.

According to the item-level results presented in table 5.30 it seems that the respondents tended to agree that the IDP is to a large extent fully aligned to the individual score cards (mean of 2.31); that the performance auditing of the individual score cards of managers are independently done (mean of 2.27); that the right key performance indicators (KPIs) are measured that will ensure strategy execution (mean of 2.23); that every strategic objective is cascaded into SMART targets (mean of 2.42); that a performance audit committee is established (mean of 1.78); that a detailed set of KPIs were developed that will ensure effective strategy execution (mean of 2.10); and that the PMS is in support of strategy execution (mean of 2.31).

The respondents, however, tended to disagree that the PMS is effective (mean of 2.64); that measurable job cards are used to enhance the task execution of the operational work teams (mean of 2.64); and that the performance measuring system is fair (mean of 3.01).

The “*Performance Monitoring and Evaluation*” factor shows good reliability with a Cronbach’s Alpha Coefficient of 0.918.

5.11.2.2 Factor Two (2): Productivity and Project Execution

Statements 1, 2, 3, 4, 5, 10, 16, 17, 18, 20 and 21 loaded on factor two (2). These statements are related to the “*Productivity and Project Execution*” factor. Statements 2, 3 and 5 have factor loadings of above 0.7; statements 4 loaded above 0.6; statement 1 loaded above 0.5; statement 16, 17, 18 and 20 also loaded satisfactorily at above 0.4; and statements 10 and 21 loaded above 0.3 on this factor. The communalities for statements are all above 0.3.

The factor mean calculated at 2.96 which is an indication that the respondents tended to disagree with the statements contained in the factor.

According to the item-level results presented in table 5.30 it seems that the respondents tended to disagree that an operations planning centre is used to monitor strategy execution (mean of 2.93); that a productivity improvement program is implemented (mean of 3.14); that projects at operational level are captured in the form of project charters (mean of 2.79); that the progress of projects is monitored and evaluated on a weekly basis (mean of 2.92); that a standardised and simplified one-page progress report is implemented (mean of 3.13); that the Performance Management System (PMS) is rolled out to all staff levels of the municipality (mean of 3.13); that productivity is monitored on a regular basis (mean of 2.91); that there is a common understanding by all employees of the municipality’s priorities (mean of 2.57); that the goals and

reward system are matched (mean of 3.17); and that the performance of the operational work teams are officially measured (mean of 3.09).

The results further confirmed that the respondents tended to disagree with the important statement that the community will rate the municipality as effective in delivering the expected services (mean of 2.82).

The “*Productivity and Project Execution*” factor shows good reliability with a Cronbach’s Alpha Coefficient of 0.912.

5.11.3 Factor Correlation Matrix^a

The Pearson correlations between the extracted factors for the “*Performance Management*” enabler are reported in table 5.34 below.

Table 5.34: Factor Correlation Matrix^a

Factors: Performance Management		1	2
1.	Performance Monitoring and Evaluation	1.000	0.606
2.	Productivity and Project Execution	0.606	1.000

The correlations coefficient of the factor pair within the “*Performance Management*” enabler is greater than 0.6, which denotes a large correlation.

5.11.4 Review of Performance Management

The results supported the findings in the literature review in chapter 2 (par. 2.3.6) and chapter 3 (par. 3.4) in terms of the importance of performance management in ensuring successful strategy execution and the fact that it could be a barrier if not well resourced and fully effective.

The “*Performance Management*” enabler is in the survey explained by two (2) factors: (1) “*Performance Monitoring*” and *Evaluation*; and (2) “*Productivity and Project Execution*”.

The enabler mean calculated at 2.68 which is an indication that the respondents tended to slightly disagree with the statements contained in this section of the questionnaire.

It is evident from the preceding results that the enabler in support of execution is not entirely positive and under control and areas that require attention across the two factors are:

- the effectiveness and fairness of the Performance Management System (PMS);
- the matching of the goals and reward system of the municipality;
- the official performance measuring of the operational work teams;
- the utilization of an operations planning and execution centre;
- the regular measuring of productivity and the implementation of a productivity improvement program;
- the capturing of all projects in the form of project charters;
- the weekly monitoring and evaluation of the execution progress of projects;
- the implementation of a standardized and simplified one-page project progress report;
- the roll out of the Performance Management System (PMS) to all staff levels; and
- the common understanding of the municipality’s priorities by all employees.

It is important to note that the results further confirm the general perception that the community will respond negatively to the municipality’s effectiveness in delivering the expected services (mean of 2.82).

5.12 CHAPTER SUMMARY

The results obtained through the data collection and quantitative research process were analysed and discussed in this chapter. The reliability and validity of the developed questionnaire was determined by conducting a factor analysis and the Cronbach's Alpha Coefficients were calculated.

The results further confirmed that the respondents tended to disagree with the important statement that the community will rate the municipality as effective in delivering the expected services (mean of 2.82).

It is very evident from the results that there are a number of possible problem areas that require attention as to ensure that the municipalities in the Gauteng Province succeed in delivering the expected services and executing their formulated strategies and plans. The identified problem areas will be reported in chapter 6 and will also form the basis of developing an integrated operating framework for strategy execution and the recommendation of possible solutions.

Two (2) of the enablers calculated a mean (below 2.5) being "*Strategy and Planning*" (2.00); and "*Resources and Budgeting*" (2.47).

The other enablers all calculated a negative mean (above 2.5) "*Leadership and Management*" (2.54); "*Organisation, People and Skills*" (2.87); "*Systems and Technology*" (2.88); "*Policies, Processes and Procedures*" (2.56); and "*Performance Management*" (2.68).

The ultimate outcome of "*Services and Customer Care*" calculated a negative mean of 2.73 (above 2.5).

The next chapter will discuss the main conclusions and recommendations of the study in terms of the research problem and study objectives and will present an integrated operating framework for strategy execution. It will also recommend areas for future research.

CHAPTER 6

CONCLUSIONS AND RECOMMENDATIONS

6.1 INTRODUCTION

This chapter is organised as follows: *firstly*, the conclusions regarding the research methodology used for the study; *secondly*, the main conclusions and recommendations of the study in terms of the research problem and study objectives are presented; *thirdly*, an integrated operating framework for strategy execution is presented; fourthly recommendations for further research are made and *finally*, the summary of the research study is presented.

6.2 RESEARCH PROBLEM AND OBJECTIVES

The literature study confirmed that whilst progress has been made in recent years, there is still a pressing need amongst all communities in South Africa for improved service delivery. There is also increasing frustration and anger at the inability of the leadership of municipalities to do what is expected of them. Municipalities in general have a poor track record in respect of the execution of approved strategies, Integrated Development plans (IDPs) and programs (SA, 2009a:4).

The research problem: “*What prevents Gauteng municipalities to successfully execute its strategies and what can be done to address the situation?*” will be answered and dealt with when the findings and conclusions relevant to each research objective are discussed.

6.2.1 Research Methodology

The research methods and statistical analysis used in the study were appropriate as the results yielded were valid. The conclusions to follow substantiate the effectiveness of the research methodology.

- Conclusion 1. The use of a literature study to set the scene provides a good base for the development and execution of the rest of the study. It provided a good understanding of the research problem and a theoretical framework for the empirical study to determine what prevents Gauteng municipalities to successfully execute its strategies.
- Conclusion 2. The literature study provided clear guidelines for the development of the questionnaire. It also identified various statements that needed inclusion in the study. It is concluded that the theory is critical in the construction of an empirical research questionnaire.
- Conclusion 3. The statistical analysis validated the identified enablers. The factor analysis confirmed the enablers and its measuring statements and identified factors within the enablers. In all cases the reliability (Cronbach's Alpha), suitability for multivariate analysis (Bartlett's Test of Sphericity) and sampling adequacy (KMO) was calculated and confirmed that the questionnaire compiled from the literature provided a valid data collection instrument (the detail is contained in chapter 5).
- Conclusion 4. The target population, the sample and the collection of the data for this survey was also effective (see Chapter 4). The data collection method allowed for the cost effective gathering of data from a large number of respondents. The KMO analysis statistically confirmed the sample as adequate. It is thus concluded that the data collection method used in this study was successful.

- Conclusion 5. The utilization of a statistical package for the social sciences (IBM SPSS Statistics 20) ensured the statistical accuracy of the empirical results. Apart from the professional advice throughout the survey (from the questionnaire design to the results), the assistance received from an expert from the statistical Consultation Services at the North-West University along with the confidence that the calculations and the interpretations thereof are accurate, provide complete peace of mind. It is concluded that the utilization of expert and specialized statistical software increases the value of the research and provides peace of mind for the researcher and promoter.

6.2.2 Research Objective 1

The first objective was to study the literature and determine the key enablers required for successful strategy execution.

The following conclusions are confirmed by the results:

- Conclusion 1. The ultimate strategy execution outcome of a municipality is “Services and Customer Care”. The literature study identified seven (7) key enablers required for successful strategy execution: (1) “*Strategy and Planning*”; (2) “*Leadership and Management*”; (3) “*Organisation, People and Skills*”; (4) “*Systems and Technology*”; (5) “*Policies, Processes and Procedures*”; and (6) “*Resources and Budgeting*”; (7) “*Performance Management*” (par. 2.3.7 & par. 2.4).
- Conclusion 2. The literature study (chapter 3 – par. 3.1; 3.2; 3.3; & 3.4) confirmed that municipalities in South Africa is well regulated, almost over regulated, with regards to the three (3) enablers: “*Strategy and Planning*”; “*Resources and Budgeting*”; “*Performance Management*”; as well as the ultimate strategy execution outcome and objective of local government: “*Services and Customer Care*” (par. 3.2).

There are four (4) key enablers, identified in conclusion 1, which are not specifically or well regulated in terms of legislation and regulations (chapter 3 – par. 3.1; 3.2; 3.3; & 3.4) being: (1) “*Leadership and Management*”; (2) “*Organisation, People and Skills*”; (3) “*Systems and Technology*”; and (4) “*Policies, Processes and Procedures*”.

- Recommendation. It is recommended that clear guidelines for municipalities be developed to guide and regulate the abovementioned four (4) crucial strategy execution enablers.

6.2.3 Research Objective 2

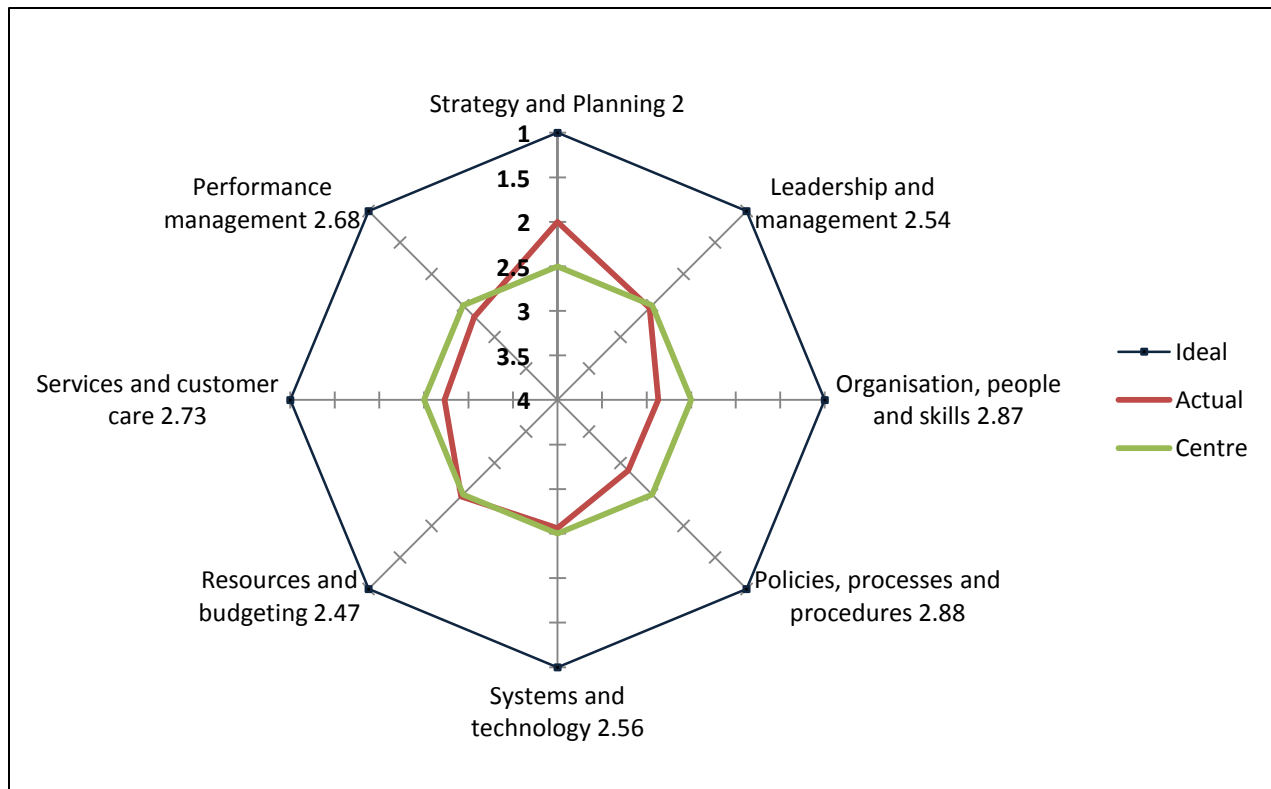
The second objective was to analyse the findings of the empirical study and make recommendations of how to improve the strategy execution process within municipalities.

Conclusion and Recommendation 1

- Conclusion 1. The “*Strategy and Planning*” enabler in municipalities is well regulated and determines the roadmap for municipalities towards achieving the desired objectives and ultimately “*Services and Customer Care*”. It is evident from the empirical results in figure 6.1 that none of the enablers calculated results close to the ideal. The “*Strategy and Planning*” enabler, however, calculated the highest result (par.5.4.2; tables 5.1 & 5.3).

The empirical results also confirmed that the seven (7) key enablers identified in the literature study, are all applicable and relevant to the strategy execution process in municipalities. This was further confirmed by the pilot study. The actual results, ideal results and the centre point of the study are reported in figure 6.1 above (see chapter 5 for the details).

Figure 6.1: Results: Strategy Execution Enablers



The following conclusions are drawn from the research:

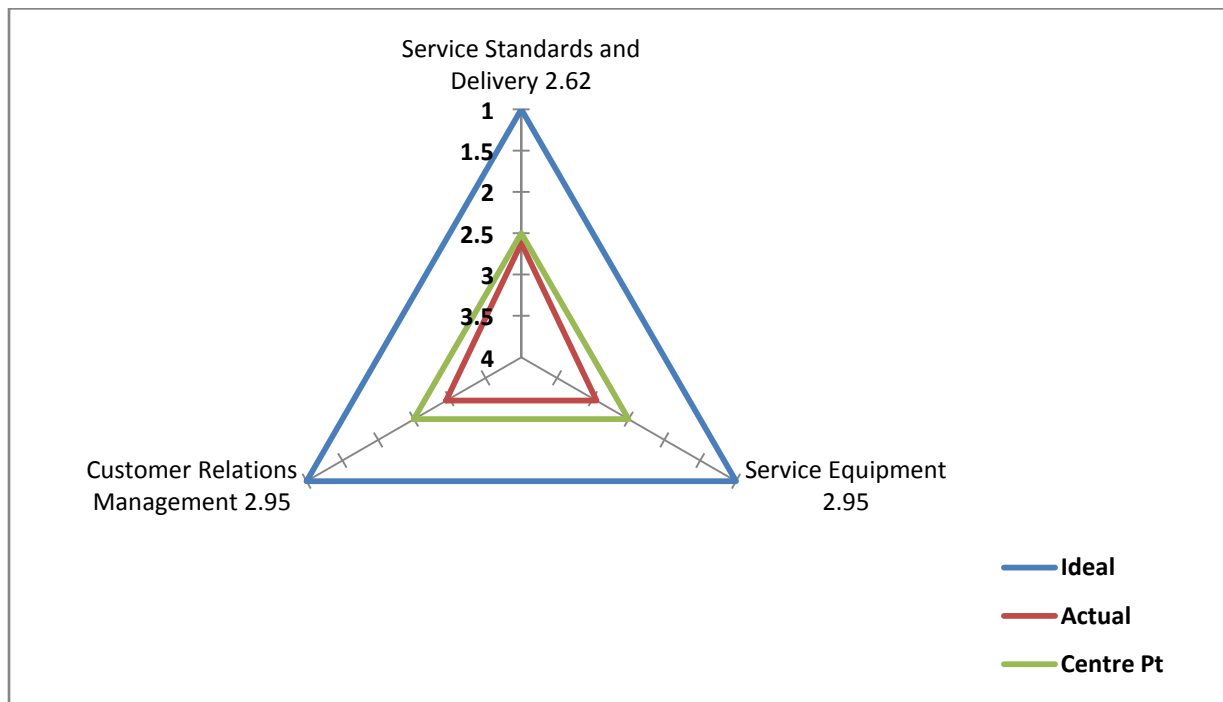
- **Recommendation 1.** The seven (7) identified key enablers will form the key pillars of the developed integrated operating framework for strategy execution.

Conclusion and Recommendation 2

- **Conclusion 2.** “*Services and Customer Care*” constitute the ultimate objective and outcome of the municipal strategy execution process and it is one of the areas in local government which is well regulated as reported in chapter 3 (par. 3.5). The results as reported in figure 6.2 below confirm the findings of the Overview report (SA, 2009a) and indicate that the respondents tended to disagree that service delivery and customer care is under control (par. 5.10.2; tables 5.27 & 5.29).

The results further confirmed that the respondents tended to disagree with the very important statement that: *“the community will rate the municipality as effective in delivering the expected services”* which is confirmation that the municipalities are not effective in executing their strategies and plans (table 5.31; statement 21).

Figure 6.2: Results: Services and Customer Care

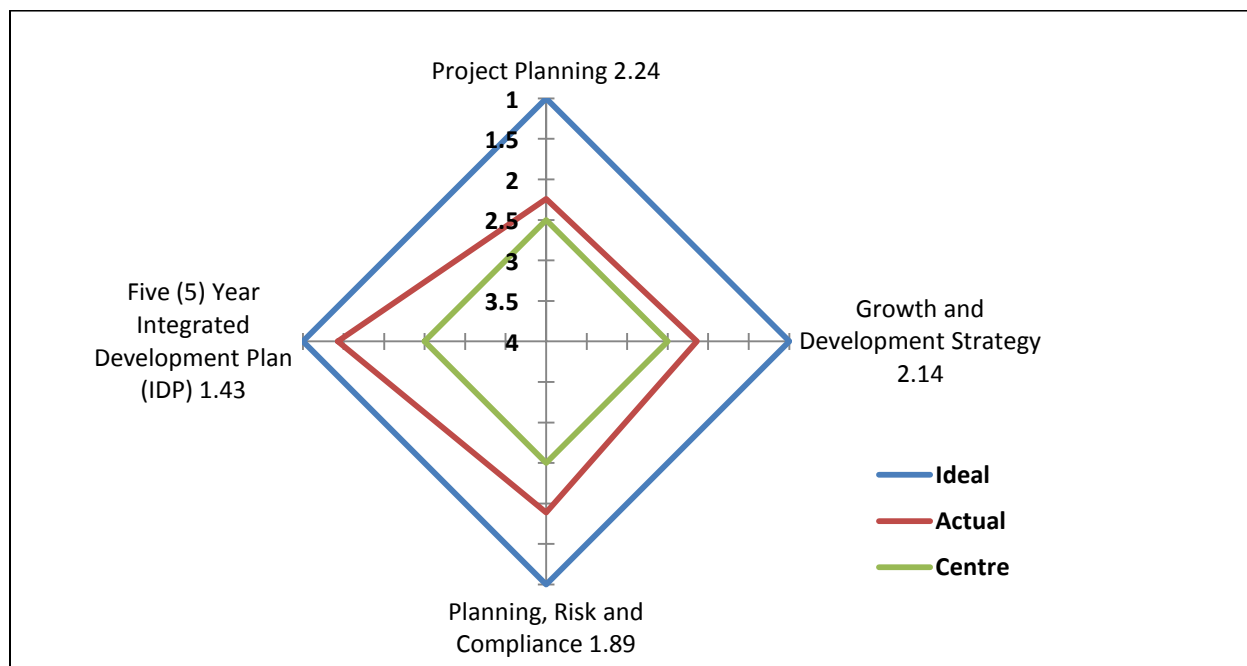


- Recommendation 2. Based on the empirical results it is recommended that municipalities implement the corrective measures as proposed in chapter 5 (par. 5.10.4). The corrective measures include addressing and/or implementing:
 - minimum service standards;
 - customer relations management;
 - customer satisfaction surveys; and
 - equipment required to render services.

Conclusion and Recommendation 3

- Conclusion 3. All the factors of the “*Strategy and Planning*” enabler calculated results above the centre point and it appears that “*Project Planning*”; the “*Growth and Development Strategy (GDS)*”; and “*Planning, Risk and Compliance*” is under control. The actual results, ideal results and the centre point of the study are reported in figure 6.3 below (see chapter 5 for the details). The results of the “*Five (5) Year Integrated Development Plan (IDP)*” recorded the highest results and it is clear that the municipalities are complying with the legal requirements regulating IDPs (par. 3.3; par. 5.4.2).

Figure 6.3: Results: Strategy and Planning



It appears that there are approved strategies and plans in all the municipalities within the Gauteng Province (figures 6.1 & 6.3). These results are supported by the literature where it reported that organisations in general comply with strategy formulation and that a lot of time is spent on this enabler and that “*managers in general know a lot about developing a strategy but have limited or no experience or*

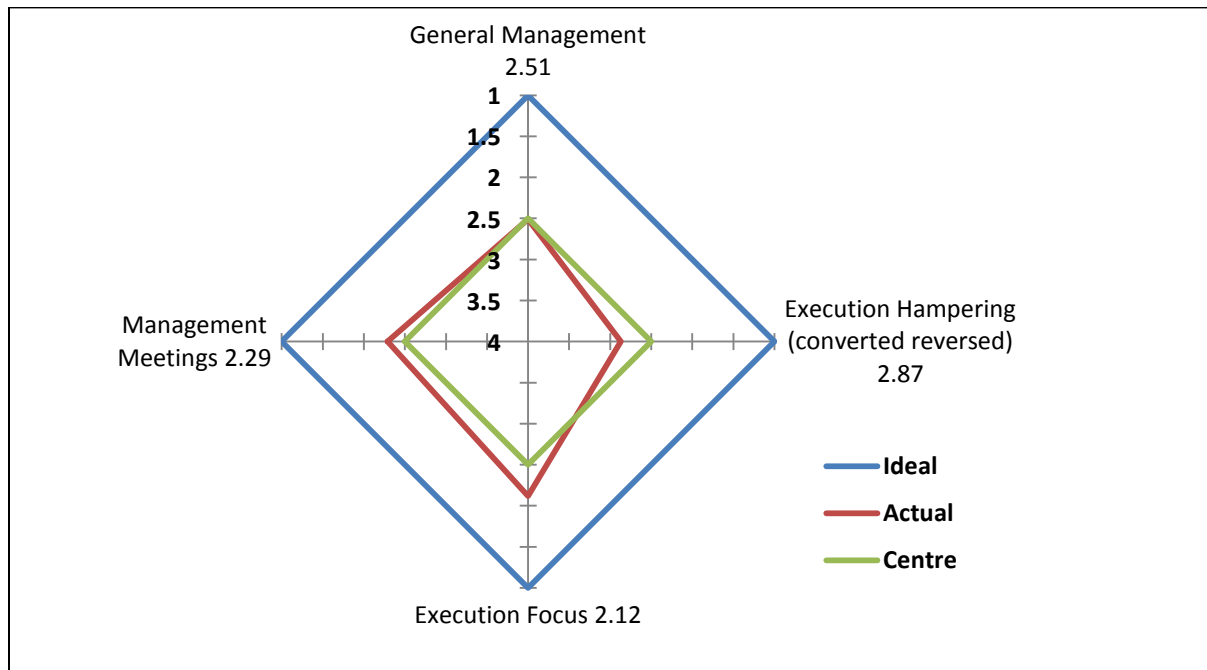
knowledge of how to execute it” (Bossidy, 2002:6; Hrebiniak, 2006:12; Davenport, 2007:1; Hanley, 2007:17).

- Recommendation 3. Based on the empirical results it is recommended that municipalities monitor and review the execution process regularly and preferably at least twice a month (chapter 5: par. 5.4.4). It is also recommended that due to the importance of a credible strategy that further and future empirical research should investigate the content and quality of the strategies developed by municipalities.

Conclusion and Recommendation 4

- Conclusion 4. The “*Leadership and Management*” enabler is important and critical in ensuring successful strategy execution. The actual results, ideal results and the centre point of the study are reported in figures 6.1 & 6.4 (see chapter 5 for the details). According to the empirical results leadership and management is an area that requires attention (par. 5.5.2; tables 5.5; 5.7 & 5.9) and this supports the literature.
- Recommendation 4. Based on the empirical results it is recommended that municipalities consider and implement the corrective measures as proposed in chapter 5 (par. 5.5.5). The key leadership and management issues to address are:
 - productive meetings focusing on the monitoring and tracking of execution;
 - effective decision-making and adhering to due dates;
 - the prevention of fraud and corruption;
 - clear and simplified communication of the strategy;
 - improved managerial and project management skills; and
 - delegated powers that support effective strategy execution.

Figure 6.4: Results: Leadership and Management

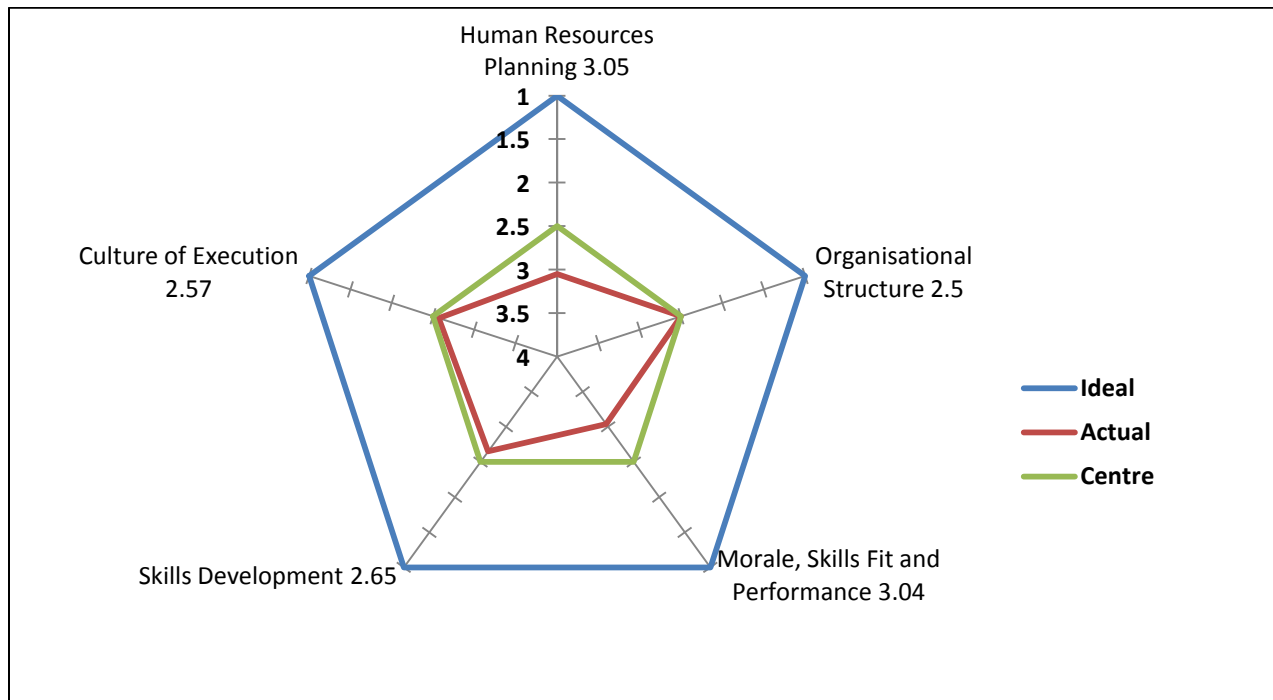


Conclusion and Recommendation 5

- Conclusion 5. The human capital of a municipality is arguably the most important resource and enabler. The “*Organisation, People and Skills*” enabler is critical for successful strategy execution in a municipality. The results reported in figure 6.5 below confirm that this enabler is not viewed by the respondents as entirely positive and under control (par. 5.6.2; tables 5.10 & 5.12).
- Recommendation 5. Based on the empirical results it is recommended that municipalities implement the corrective measures as proposed in chapter 5 (par. 5.6.4). The key organisation, people and skills issues to address are:
 - human resource planning;
 - organisational structure;
 - morale, skills fit and performance;
 - skills development; and

- culture of execution and sense of urgency.

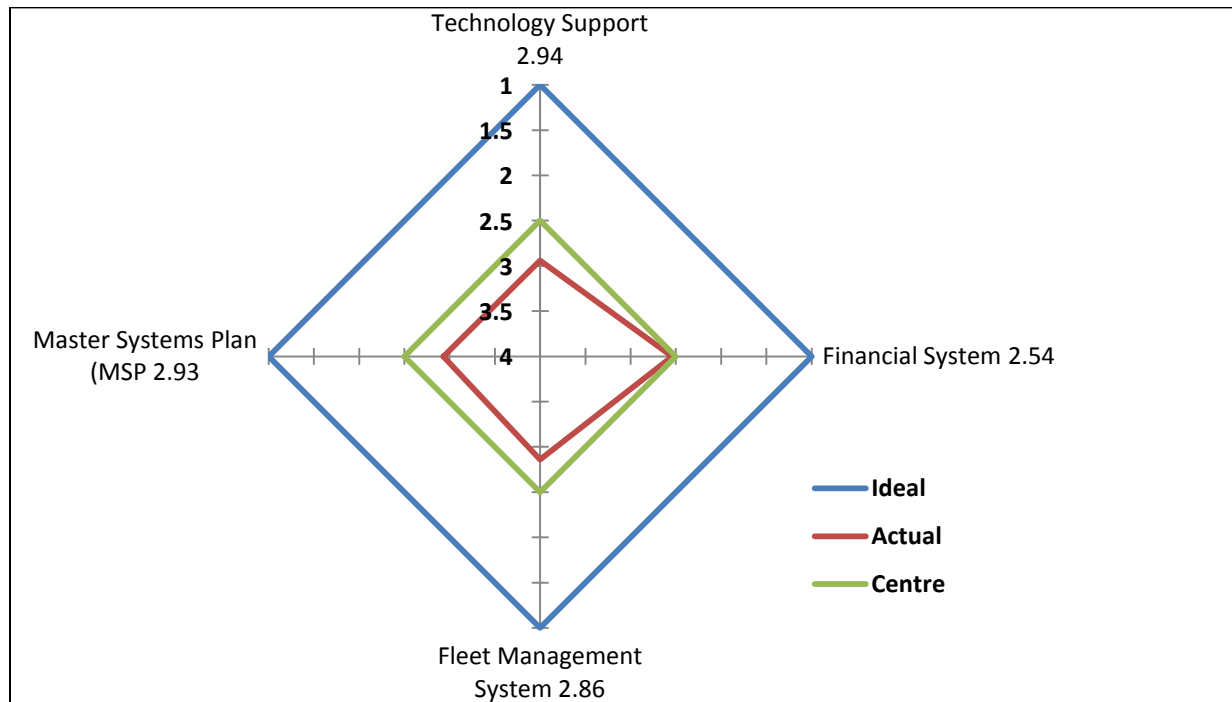
Figure 6.5: Results: Organisation, People and Skills



Conclusion and Recommendation 6

- Conclusion 6. The “*Systems and Technology*” enabler is also important to ensure successful execution of the municipality’s strategy. The results reported in figure 6.6 below indicate that the respondents view this enabler as not entirely under control (par. 5.7.2; tables 5.14 & 5.16).

Figure 6.6: Results: Systems and Technology



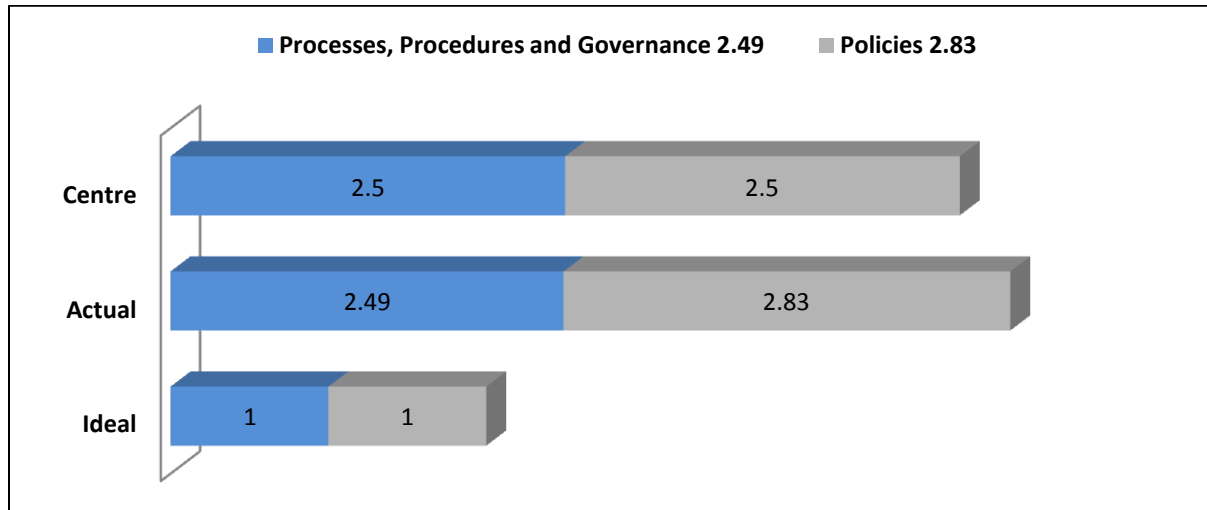
- **Recommendation 6.** Based on the empirical results it is recommended that municipalities implement the corrective measures as proposed in chapter 5 (par. 5.7.4). The key systems and technology issues to address are:
 - the development of a Master Systems Plan (MSP);
 - the provision of accurate management information;
 - systems to support the operations such as fleet management, finance and billing;
 - an early warning system for high impact service breakdowns; and
 - the full alignment and integration of information, communication and technology (ICT) systems.

Conclusion and Recommendation 7

- **Conclusion 7.** The results of the “*Policies, Processes and Procedures*” enabler reported in figure 6.7 below confirm that it is not viewed by the respondents as

entirely positive and under control and is an area that requires attention (par. 5.8.2; tables 5.18 & 5.20).

Figure 6.7: Results: Policies, Processes and Procedures

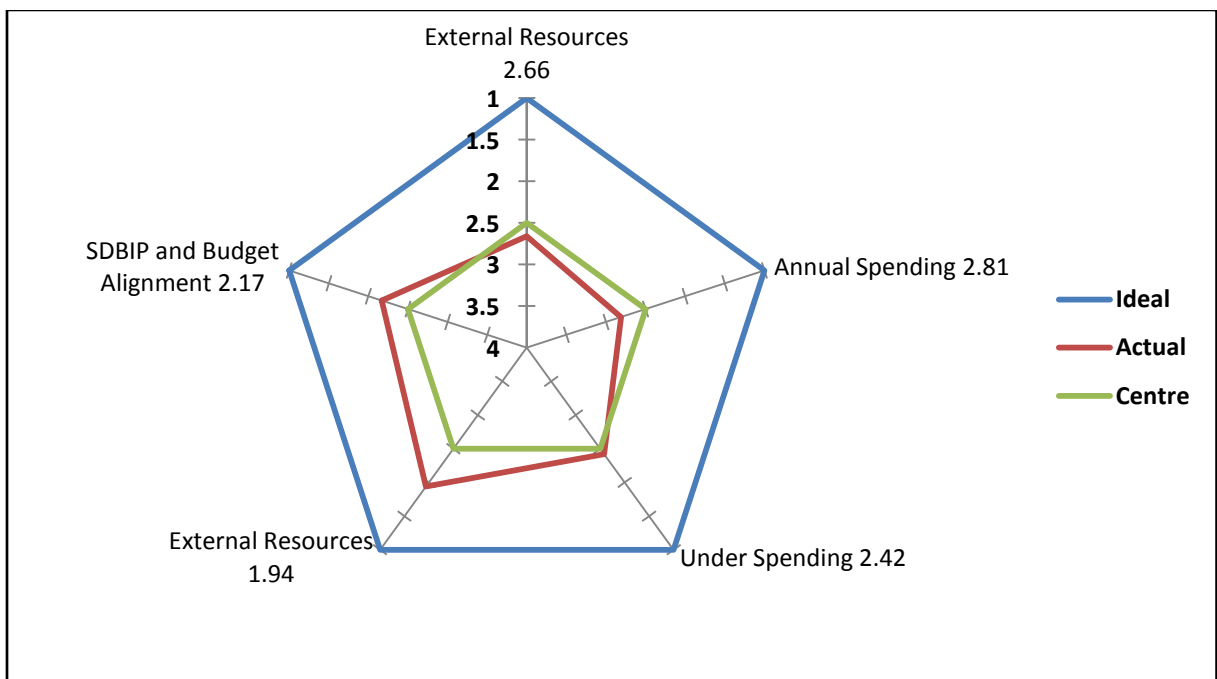


- **Recommendation 7.** Based on the empirical results it is recommended that municipalities implement the corrective measures as proposed in chapter 5 (par. 5.8.4). It is also recommended that due to the importance of effective and functional business processes and procedures that further and future empirical research should investigate the state and effectiveness thereof in municipalities. The key policies, processes and procedures issues to address are:
 - the regular review of policies in terms of its relevancy and support to the execution process;
 - the review and alignment of delegated authority;
 - the review of decision-making processes in support of effective execution; and
 - the development of simplified Standard Operating Procedures (SOPs).

Conclusion and Recommendation 8

- Conclusion 8. The “*Resources and Budgeting*” enabler is also well regulated as reported in chapter 3 (par. 3.3). According to the results as reported in figure 6.8 below it recorded the second highest result and whilst it is not entirely positive and under control, the respondents viewed it as more positive than the other enablers (par. 5.9.2; tables 5.22 & 5.25).

Figure 6.8: Results: Resources and Budgeting



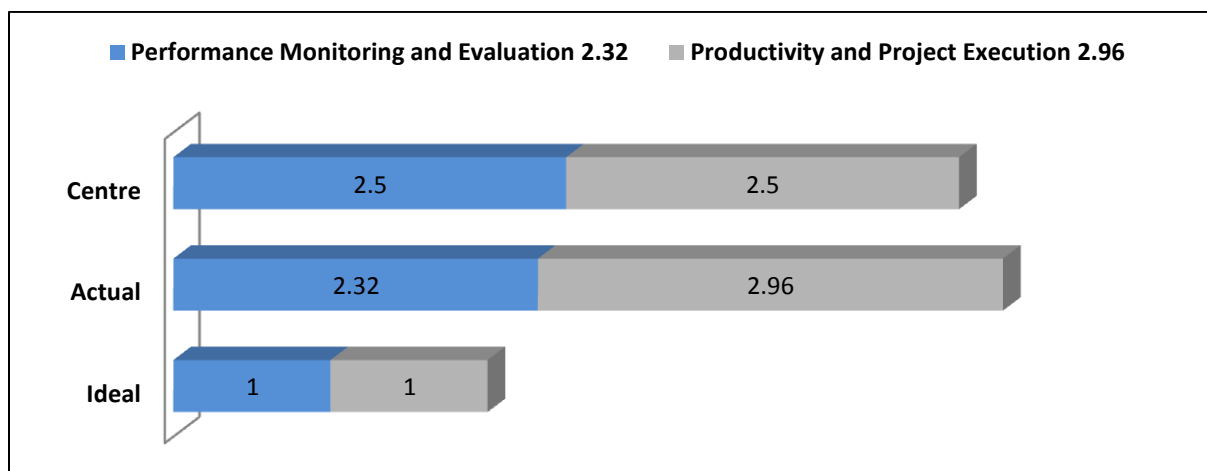
- Recommendation 8. Based on the empirical results it is recommended that municipalities implement the corrective measures as proposed in chapter 5 (par. 5.9.4). The key resources and budgeting issues to address are:
 - the alignment of resources and the strategy;
 - the provision of adequate financial and other resources;
 - value for money spending;

- the effective management of external contractors; and
- improving the maintenance and capital budget spending.

Conclusion and Recommendation 9

- Conclusion 9. This is a very crucial element in the execution process. It is supposed to produce the accurate and credible performance results and dashboards of how well or poor the municipality's performance and execution is. Whilst the "Performance Management" enabler is well regulated as discussed in chapter 3 (par. 3.4), the results as reported in figure 6.9 below, however, indicate that the respondents are not that positive and this is an area of concern that requires attention (par. 5.11.2; tables 5.31 & 5.33).

Figure 6.9: Results: Performance Management



- Recommendation 9. Based on the empirical results it is recommended that municipalities implement the corrective measures as proposed in chapter 5 (par. 5.11.4). The key performance management issues to address are:
 - the regular monitoring and improvement of productivity;
 - the capturing of all projects in project charters;

- the roll out of the Performance Management System (PMS) to all levels;
- the weekly monitoring and evaluation of the execution process;
- establishing a planning and execution monitoring centre (room); and
- the common understanding of the objectives and priorities by all employees.

6.2.4 Research Objective 3

The third objective was to develop an integrated operating framework for strategy execution in municipalities.

The following conclusions are drawn from the research:

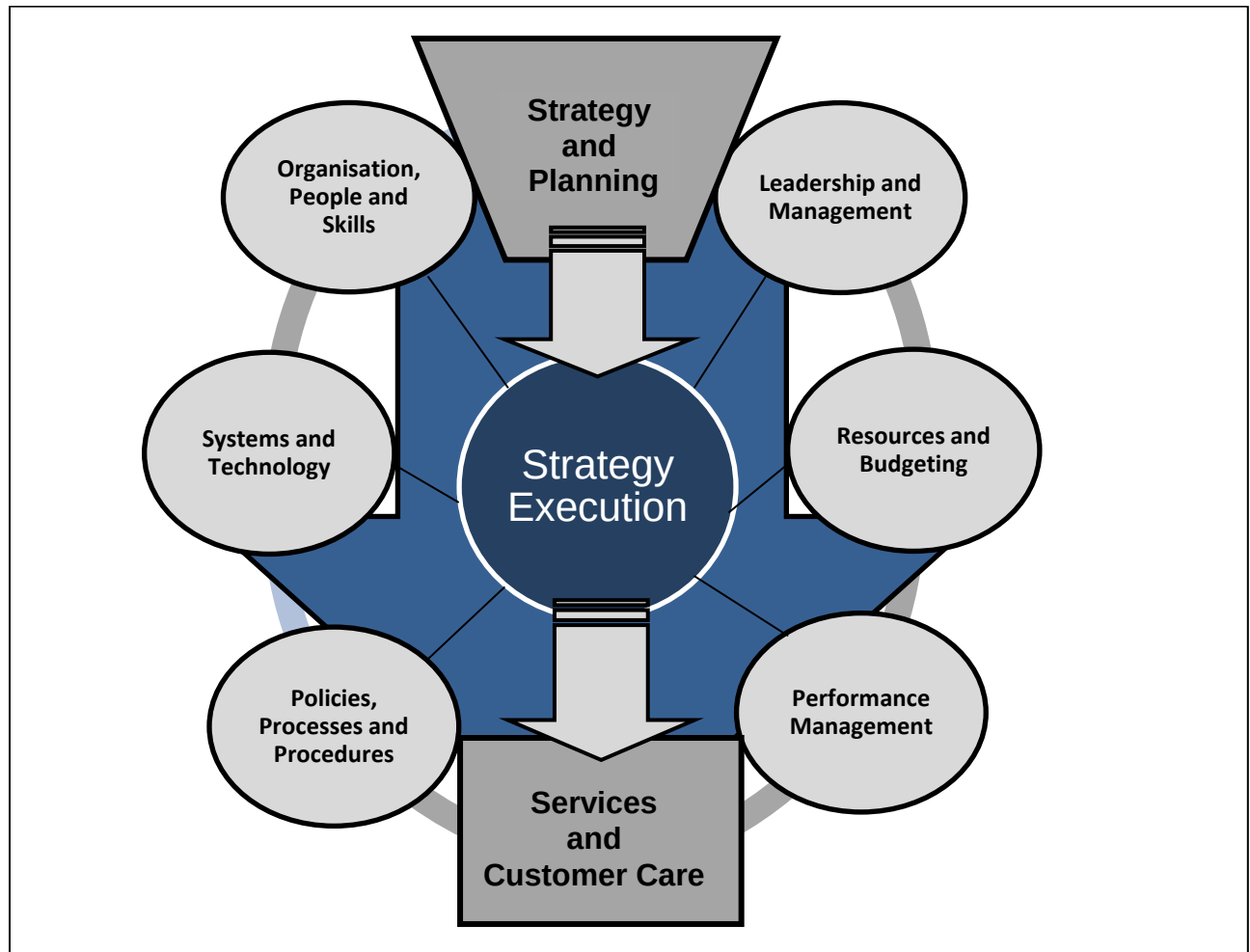
Although it is often recognised that many factors influence the degree of success in strategy execution, as supported by the review study, few studies have endeavoured to identify exactly what these factors are for the public sector and specifically municipalities. As contribution towards the discipline of strategy execution, an integrated operating framework for local government was developed as a result of this study (figure 6.10). This was achieved by studying the literature and the empirical results of the study.

The six (6) key enablers required to successfully execute “*Strategy and Planning*” and ensuring that the envisaged outcome of effective “*Services and Customer Care*” is achieved, are:

- “*Leadership and Management*”;
- “*Organisation, People and Skills*”;
- “*Systems and Technology*”;
- “*Policies, Processes and Procedures*”;
- “*Resources and Budgeting*”; and
- “*Performance Management*”.

These enablers were identified as part of the literature study in chapter 2 and derived from various concepts, theories and the strategy execution frameworks.

Figure 6.10: An Integrated Operating Framework for Strategy Execution in Local Government



By developing this framework (figure 6.10) the study contributes to a better understanding of the enablers that may have an effect on the ability of municipalities to execute its strategies. The identified enablers and the integrated operating framework for strategy execution suggest important insights for managers and researchers and create the opportunity for future research, which will form part of the recommendations (par. 6.3).

The developed integrated operating framework is based on the principle that “*Strategy and Planning*” sets the scene and is the starting point in the execution process and the ultimate outcome and success of the execution process will be measured in terms of “*Services and Customer Care*”. The success of the framework depends on a credible strategy; simplicity; integration; and a customer-centric approach.

- *Strategy and Planning*. The strategy formulation process must interpret the political mandate and clearly in a simplified manner set the long and medium term direction of the municipality in terms of Key Performance Areas (KPA's). The strategy must facilitate cross-functional integration and collaboration across all functions and departments of the municipality. If possible, external experts and stakeholders should form part of the formulation process.

The role-players responsible for the execution process must form part of the strategy formulation team. The strategy should be drafted with the execution thereof in mind and should be cascaded into a credible five (5) year Integrated Development Plan (IDP) with clear Key Performance Indicators (KPIs) and targets. The execution plan (SDBIP) must convert the IDP into annual programs, projects and activities which deal with the detail of who, what, when and where.

- *Leadership and Management*. The execution process will only succeed if the leaders (Executive Mayor and Municipal Manager) are fully committed and involved. A corporate culture based on a sense of urgency will only be established if and when the leaders and managers lead by example and “*walk the talk*”. The leaders and managers must be effective in taking decisions.

The effectiveness of meetings is important and all committees should set its agendas to *inter alia* track the progress of strategy execution. The strategy and plan should be communicated in an effective manner and on a regular basis to all the internal and external role-players. The utilization of road shows and local radio stations and media should be considered for this purpose.

- Resources and Budgeting. Strategy execution is only possible if the strategy and plan is well resourced and supported by a budget. Strategy and resource alignment is crucial for successful execution. If a program, project or activity is not resourced and provided for in the budget it should not form part of the execution plan (SDBIP). Resourcing the strategy will be in the form of resources such as people, equipment, infrastructure, technology, time, money and information. Supply and contract management are also key elements in the execution process.
- Organisation, People and Skills. The organisational structure and operating model should be reviewed after every strategy review as to ensure proper alignment. This does not imply that the structure and operating model will automatically change when the strategy changes. The operating model must be adaptable to the changes and challenges faced by the municipality.

The “*right*” people with the “*right*” skills and capabilities are critical for the successful execution of the strategy. Structural changes on its own will not improve performance. The skills and capability of executives and project leaders should regularly be assessed. Skill gaps should be addressed and relevant individuals should attend formal training and development programs. The municipality should develop a human resource plan that is aligned and in support of the strategy which also provides for talent and knowledge management.

- Systems and Technology. The systems and technology deployed in the municipality should be integrated and in support of the strategy and the execution process. A Master Systems Plan (MSP) should be developed with the intention of supporting the leaders, managers and the entire municipality in achieving the strategy and objectives. Accurate management information and dashboards are also important outputs. The business processes of the municipality should be improved and supported by the systems and technology.

- *Policies, Processes and Procedures.* The policies, processes and procedures should be aligned and in support of strategy and the execution process. It should enhance standardisation and the decision-making processes. All policies and processes should be supported by Standing Operating Procedures (SOPs). Service delivery processes should regularly be reviewed with the intention of streamlining, simplifying, speeding up delivery and improving customer satisfaction.

- *Performance Management.* The alignment of the Performance Management System (PMS) with the key strategic drivers, objectives and indicators is crucial for successful execution. The continuous monitoring, evaluation and review of the municipality's performance against the set targets and regular feedback on progress is as important and the system should be outcome and result based. Projects should be captured in project charters and the reward system should be fair and linked to the objectives and indicators. It is important to establish a culture of high standards and performance by making managers and project leaders 100% accountable for the execution and completion of their projects.

- *Services and Customer Care.* The success of the municipality's performance and strategy execution will be measured in terms of the effectiveness of services and the level of customer satisfaction. It is important to analyse and understand the customers of the municipality.

The municipality must be customer-centric in the way it does business and regular customer satisfaction surveys should be conducted. The customers should be consulted when the minimum service standards are developed. Customer Relations Management (CRM) should be a key performance area of the strategy with clear objectives and targets.

6.3 AREAS FOR FUTURE RESEARCH

The following areas have been identified for future research:

- An in-depth study and analysis of the role of leadership and management in the strategy execution process within a municipality (roles, responsibilities, qualifications, skills, competencies and experience);
- An in-depth study and analysis of the content and quality of the strategies formulated by municipalities and how implementable it is; and
- A study with an international comparative focus that aims at comparing the municipalities in South Africa to countries with similar challenges and conditions in terms of its ability to execute strategies.

6.4 SUMMARY OF RESEARCH STUDY

While the importance and lack of strategy execution in municipalities surfaced, it is evident from the literature study that limited research and literature exist regarding strategy execution specifically within the local government sector.

This thesis has aimed at achieving the primary research objective of developing and presenting an integrated operating framework for strategy execution in Gauteng municipalities. To support the primary objective the two (2) secondary objectives had to be accomplished. The accomplishment of the primary and secondary objectives was achieved through six (6) coherent chapters.

Chapter one (1) reviewed the mandate and legal framework of local government and reflected the purpose of the study and emphasised the need for such a study. The justification of this study was confirmed by the Overview Report (SA, 2009a) which established that municipalities in general are in serious distress with regular service delivery protests, huge service delivery and infrastructure backlog challenges, poor

financial management and the inability to execute approved strategies and plans (IDPs). The identified research objectives directed the study towards the accomplishment of an integrated operating framework for strategy execution.

Chapter two (2) reviewed the literature with the purpose of explaining and defining 'strategy execution' as a discipline and identifying the key enablers required for successful strategy execution. It also reviewed the existing operating frameworks for strategy execution.

Chapter three (3) reviewed the legislated framework that regulates strategy formulation and planning for local government in South Africa with specific focus on Services and Customer Care, Integrated Development Planning, the Service Delivery and Budget Implementation Plan (SDBIP) and the Performance Management System (PMS).

Chapter four (4) reviewed various research and data collection methods and described the research design and methodology that was adopted for this survey. The questionnaire as data collection instrument, the survey population as well as the sample (study population) were discussed. The pilot study that was used to confirm the understandability of the content as well as the statistical procedures that were utilized to ensure validity and reliability of the questionnaire was also discussed. The chapter furthermore covered the statistical techniques that were used to analyse the collected data.

Chapter five (5) was dedicated to the presentation and analysis of the empirical results of the study. The results obtained through the data collection and quantitative research process were analysed and discussed. Quantitative analysis by means of factor analysis reflected and confirmed the measurement theory. The factor analysis confirmed the identified enablers and its measuring statements as well as the identified factors within each enabler. In all cases the reliability (Cronbach's Alpha), suitability for multivariate analysis (Bartlett's Test of Sphericity) and sampling adequacy (KMO) was

calculated and confirmed that the compiled questionnaire from the literature provided a valid data collection instrument.

Chapter six (6) presented the conclusions of the research methodology used as well as the main conclusions and recommendations of the study in terms of the research problem and study objectives. The integrated operating framework for strategy execution was presented as part of the final recommendation. Finally, the chapter concluded by making recommendations for further research.

The study contributes towards the discipline of strategy execution by presenting an integrated operating framework for strategy execution which provides a simplified instrument that will make a significant contribution towards enhancing municipalities' ability to execute strategies.

BIBLIOGRAPHY

Antunes, C., Korda, C., Korda, P. & Mistry, S. 2010. Leading strategy execution. London: Kogan Page.

Ashkenas, R. 2010. Simply effective: How to cut through complexity in your organisation and get things done. Boston, MA: Harvard Business School.

Atkinson, H. 2006. Strategy implementation: A role for the Balanced Scorecard. *Management Decision*, 44(10):1441-1460.

Bartenschlager, J. 2011. Implementing IT Strategy - Laying a Foundation. Management Research Centre: Frankfurt School of Finance & Management. Article

Beer, M. & Eisenstat, R.A. 2000. The silent killers of strategy Implementation and learning. *Sloan Management Review*, 41(4):29-40.

Bossidy, L., Charan, R. & Burck, C. 2002. Execution: The discipline of getting things done. London: Crown Business.

Brenes, E.R., Mena, M. & Molina, G.E. 2008. Key success factors for strategy implementation in Latin America. *Journal of Business Research*, 61:590-598.

Churton, M. 2000. Theory and method. London: MacMillan.

Coldwell, D. & Herbst, F. 2004. Business Research. Johannesburg: Juta.

Constitution **See** South Africa.

- Coughlin, D. 2005. Strategy, planning and execution: How to establish an effective strategy and execute successfully within it. *A Special Report on Business Acceleration*. All rights reserved. www.thecoughlincompany.com. Date of access: 20 Jan. 2012.
- Creswell, J.W. 2009. Research design: Qualitative and mixed method approaches. Thousand Oaks, CA: Sage.
- Crittenden, V.L. & Crittenden, W.F. 2008. Building a capable organisation: The eight levers of strategy implementation. *Business Horizons*, 51:301-309.
- Davenport, T. 2007. Strategy execution: Avoid the extremes. Harvard Business Publishing. <http://blogs.harvardbusiness.org/cgi-bin/mt-tb.cgi/2505>. Date of access: 25 Oct. 2011.
- De Flander, J. 2010. Strategy execution herous: Business strategy implementation and strategic management demystified. Brussels: Performance Factory.
- De Vos, A.S., Strydom, H., Fouche, C.B., & Delport, C.S.L. 2011. Research at Grass Roots. Pretoria: Van Schaik.
- Delisi, P.S. 2005. Strategy execution: An oxymoron or a powerful formula for corporate success? 1-23. www.strategylinkconsulting.com/StrategyLink/Perspectives.shtml. Date of access: 14 Jan. 2012.
- Drucker, P.F. 2004. The effective executive: The definitive guide to getting the right things done. New York, NY: HarperCollins.
- Field, A. 2009. Discovering statistics using SPSS. 3rd edition. London: Sage.
- Fink, A. 2009. Conducting surveys: A step by step guide. 4rd edition. London: Sage.

- Flick, U. 2006. An introduction to qualitative research. 3rd edition. London: Sage.
- Flood, P.C., Dromgoole, T., Carroll, S.J., & Gorman, L. (eds.). 2000. Managing strategy implementation. Oxford: Blackwell.
- Frigo, M.L. 2002. Strategy, business execution and performance and performance measures. *Strategic Finance*, 6-8, May.
- Frigo, M.L. 2003. Strategy or execution? *Strategic Finance*, 9-10, Mar.
- Frigo, M.L. 2004. Strategy and execution: A continual process. *Strategic Finance*, 7-21, Mar.
- Hair, J.F., Anderson, R.E., Tatham, R.L. & Black, W.C. 1998. Multivariate data analysis. 5th ed. Upper Saddle River, NY: Prentice-Hall.
- Hair, J.F., Celsi, W.M., Money, A.H., Samouel, P. & Page, M.J. 2011. Essentials of business research methods. 2nd edition. NY: M.E. Sharpe.
- Hanley, C.A. 2007. The execution challenge: Translating strategy into action. *Bank Accounting and Finance*, 17-20, Oct-Nov.
- Heide, M., Grønhaug, K. & Johannessen, S. 2002. Exploring barriers to the successful implementation of a formulated strategy. *Scandinavian Journal of Management*, 18:217-231.
- Higgins, J.M. 2005. The Eight S's of successful strategy execution. *Journal of Change Management*, 5(1):3-13, Mar.
- Hitachi Consulting. 2009. Strategy execution: Strategy is just the beginning. Hitachi Consulting Corporation. http://www.hitachiconsulting.com/files/pdfRepository/WP_StrategyExecution.pdf. Date of access: 10 Dec. 2012.

- Hitt, M.A., Ireland, R.D. & Hoskisson, R.E. 2007. Strategic management: Competitiveness and globalization, 7th edition. Mason, OH: Thompson South Western.
- Hofstee, E. 2006. Constructing a good dissertation: A practical guide to finishing a masters, MBA or PhD on schedule. Sandton: EPE.
- Hrebiniak, L.G. 2005. Making strategy work: Leading effective execution and change. Upper saddle River, NJ: Wharton .
- Hrebiniak, L.G. 2006. Obstacles to effective strategy implementation. *Organisational Dynamics*, 35(1):12-31.
- Hrebiniak, L. 2008. Making strategy work: Overcoming the obstacles to effective execution. *Ivey Business Journal*, 72:1-6. Mar/Apr.
- Jankowicz, A.D. 2004. Business research projects. 3rd edition. London: Business Press.
- Jooste, C. & Fourie, B. 2009. The role of strategic leadership in effective strategy implementation: Perceptions of South African strategic leaders. *South African Business Review*, 13 (3):51-68.
- Kaplan, R.S. & Norton, D.P. 2001. The strategy-focused organisation. Boston, MA: Harvard Business School.
- Kaplan, R.S. & Norton, D.P. 2006a. How to implement a new strategy without disrupting your organisation. *Harvard Business Review*, 1-10, Mar.
- Kaplan, R.S. & Norton, D.P. 2006b. Why system, not structure, is the way toward strategic alignment: A historic perspective. *Balanced Scorecard Report*, 8(4):1-16, Jul/Aug.

- Kaplan, R.S. & Norton, D.P. 2007. Using the balanced scorecard as a strategic management system. *Harvard Business Review*, 150-160, Jan/Feb.
- Kerlinger, F.N. & Lee, H.W. 2000. Foundations of behavioural research. Fourth edition. Belmont, CA: Wadsworth.
- Khadem, R. 2008. Alignment and follow-up: Steps to strategy execution. *Journal of Business Strategy*, 29(6):29-35.
- Kotze, H.J. & Van Wyk, J.J. 1986. Basiese konsepte in die politiek. Johannesburg: McGraw-Hill.
- Kumar, D. 2010. Enterprise growth strategy. Surrey: Gower.
- MacLennan, A. 2011. Strategy execution: Translating strategy into action in complex organisations. New York, NY: Routledge.
- Manning, T. 2006. Delivering the dream: Designing and implementing strategy in the public sector. Cape Town: Zebra.
- McKinsey 7 'S' Framework: Google blogs, 2013.
- Michaelson, S.W. 2007. Sun Tzu for execution: How to use the art of war to get results. Avon, MA: Adam Media Corporation.
- Michlitsch, J.F. 2000. High-performing, loyal employees: The real way to implement strategy. *Strategy and Leadership*, 28(6):28-34.
- Miller, S., Wilson, D. & Hickson, D. 2004. Beyond planning: Strategies for successfully implementing strategic decisions. *Long Range Planning*, 37:201-218.
- Mouton, J. 2009. How to succeed in your master's and doctoral studies: A South African guide and resource book. Pretoria: Van Schaik.

Msweli, P. 2011. Writing a research proposal: Practical guidelines for business students. Cape Town: Juta.

Municipal Finance Management Act **See** South Africa.

Municipal Structures Act **See** South Africa.

Municipal Systems Act **See** South Africa.

Murphy, J.D. 2005. Flawless execution: Use the techniques and systems of America's fighter pilots to perform at your peak and win the battles of the business world. New York, NY: Regan Books.

Neuman, W.L. 2010. Social research methods: qualitative and quantitative approaches. 6th edition. Upper Saddle River, NJ: Pearson Education.

Nielson, G.L., Martin K.L. & Powers E. 2008. The secrets to successful strategy execution. *Harvard Business Review*, 61-70, Jun.

Olson, E.M., Slater, F.S. & Hult, G.T.M. 2005. The importance of structure and process to strategy implementation. *Business Horizons*, 48:47-54.

Osborne, J.W., Costello, A.B., & Kellow, J.T. 2008. Best practices in exploratory factor analysis. In J. W. Osborne (Ed.), *Best practices in quantitative methods*, 86-99. Thousand Oaks, CA: Sage.

Pearce, J.A. & Robinson, R.B. 2011. Strategic management: Formulation, implementation and control. New York, NY: McGraw-Hill/Irwin.

Pietersen, J. & Maree, J.G. 2007. Standardisation of a questionnaire. (In Maree, J.G., (ed.). First steps in research. Pretoria: Van Schaik.

- Pryor, M.G., Anderson, D., Toombs, L.A. & Humphreys, J.H. 2007. Strategic Implementation as a core competency: The 5P's model. *Journal of Management Research*, 7(1):51-68, Apr.
- Pugh, D.S. & Hickson, D.J. 2007. Great writers on organisations: Third edition. Hampshire: Ashgate.
- Raps, A. 2004. Implementing strategy. *Strategic Finance*, June: 49-53.
- Reja, U., Manfreda, K.J., Hlebec, V. & Vehovar, V. 2003. Open-ended versus Close-ended Questions in Web Questionnaires. *Developments in Applied Statistics*, 19:60-177.
- SA **See** South Africa.
- Salkind, J. 2007. Exploring research. 6th ed. Uppersaddle River, NJ: Pearson.
- Schaap, J.I. 2006. Toward strategy implementation success: An empirical study of the role senior – level leaders in the Nevada Gaming Industry. *Gaming Research and Review Journal*, 10(2): 13-29.
- Seaman, C.H.J. 2005. Developing questionnaires. PowerPoint presentation. Amsterdam: Business School Netherlands.
- Sekaran, U. & Bougie, R. 2010. Research methods for business: A skill building approach. Cornwall: TJ International.
- Sheehan, N.T. 2010. A risk-based approach to strategy execution. *Journal of Business Strategy*, 32(5): 25-37.

Shiceka, S. 2010. Local Government Turn-Around Strategy launch by the minister responsible for Cooperative Governance and Traditional Affairs. Pretoria.
<http://lgict.org.za/document/local-government-turnaround-strategy-lgtas-2009>.
Date of access: 15 Jan. 2011.

Singh, K. 2007. Quantitative social research methods. London: Sage.

South Africa (SA). 1996. Constitution of the Republic of South Africa (Act no. 108, as adopted by the Constitutional Assembly on 8 May 1996 and as amended on 11 October 1996). Pretoria: State Press.

South Africa. 1997. White Paper on Transforming Public Service Delivery: Batho Pele – ‘People First’. Pretoria: State Press.

South Africa. 1998a. Municipal Structures Act (Act no. 117 of 1998). Pretoria: State Press.

South Africa. 1998b. White Paper on Local Government. Pretoria: State Press.

South Africa. 2000a. Municipal Systems Act, 32 of 2000 and as amended in 2005. Pretoria: State Press.

South Africa. 2000b. Department for Cooperative Governance and Traditional Affairs: IDP guide pack: Guide 0. Cape Town: Formeset Printers Cape (pty) limited.

South Africa. 2000c. Department for Cooperative Governance: IDP guide pack: Guide 1. Cape Town: Formeset Printers Cape.

South Africa. 2000d. Department for Cooperative Governance: IDP guide pack: Guide II. Cape Town: Formeset Printers Cape.

South Africa. 2000e. Department for Cooperative Governance: IDP guide pack: Guide III. Cape Town: Formeset Printers Cape.

South Africa. 2001. Department for Cooperative Governance and Traditional Affairs: Municipal planning and performance regulations. Pretoria: State Press.

South Africa. 2003. Municipal Finance Management Act, 56 of 2003. Pretoria: State Press.

South Africa. 2005. National Treasury: Municipal Finance Management Act. Circular 13. Pretoria: State Press.

South Africa. 2006a. National Treasury: A guide to municipal finance management for councillors. Pretoria: State Press.

South Africa. 2006b. Department of Cooperative Governance: Local Government: Municipal performance management regulations for municipal managers and managers directly accountable to the municipal managers. Pretoria: State Press.

South Africa. 2009a. Department for Cooperative Governance: State of Local Government in South Africa: Overview Report. Pretoria: State Press.

South Africa. 2009b. Cabinet decision: Local government turn-around strategy (LGTAS). Pretoria: State Press. <http://lgict.org.za/document/local-government-turnaround-strategy-lgtas-2009>. Date of access: 15 Jan. 2011.

South African Local Government Association (SALGA). 2001. Integrated development planning: A practical guide to municipalities. Pretoria: State Press.

South African Local Government Association (SALGA). 2011. A handbook for municipal councillors: Councillor induction. Pretoria: State Press.

- Speculand, R. 2009. Beyond strategy: The leader's role in successful implementation. San Francisco, CA: Jossey-Bass.
- Spence, J. 2009. Awesomely simple: Essential business strategies for turning ideas into action. USA: Jossey-Bass.
- Spinosa, C. 2008. Effective executive. *Interview*, 21-31, Sep.
- Srivastava, S.C. 2005. Managing core competence of the organisation. *Vikalpa*, 30(4):49-63, Dec.
- Stettinius, W., Wood, D.R., Doyle, J.L. & Colley, J.L. 2007. How to plan and execute strategy. Berkshire: McGraw-Hill.
- Struwig, F.W. & Stead, G.B. 2007. Planning, designing and reporting research. Cape Town: Masker Miller Lonman.
- Tabachnick, B.G & Fidell, L.S. 2013. Using multivariate statistics. 6th edition. Boston, MA: Allyn and Bacon.
- Tapscott, D. 2002. The high performance enterprise: Bridging the strategy-execution gap. *Digital 4 sight*, 1-8.
- Terreblanche, M., Durrheim, K. & Painter, D. 2008. Research in practice: Applied methods for social sciences. Cape Town: University of Cape Town Press.
- Thompson, A.A. (Jr.), Strickland (III), A.J. & Gamble, J.E. 2005. Crafting and executing strategy. New York: McGraw Hill / Irwin.
- Ungerer, M., Pretorius, M. & Herholdt, J. 2002. Viable business strategies: A systematic, people-centric approach. Randburg: Knowres.

- Verweire, K. & Van Den Berghe, L. 2004. Integrated performance management: A guide to strategy implementation. London: Sage.
- Wagner, C., Kawulich, B. & Garner, M. 2012. Doing social research: A global context. Berkshire: McGraw-Hill Education.
- Waterman (Jr.), R.H., Peters, T.J., & Phillips, J.R. 1980. Structure is not organisation. *Business Horizons*, 23:14-26.
- Watson, G.H. 2005. Design and execution of a collaborative business strategy. *The Journal for Quality and Participation*, 4-9. Winter.
- Welman, J.C., Kruger, S.J. & Mitchell, B. 2005. Research methodology for business and administrative sciences. 3rd edition. Cape Town: Oxford University.
- Wheelen, T.L. & Hunger, J.D. 2004. *Strategic management and business policy*. 9th edition. Englewood Cliffs. NJ: Prentice Hall.
- Zagotta, R. & Robinson, D. 2002. Keys to successful strategy execution. *The Journal of Business Strategy*, 23(1):30-34.

ANNEXURE A: QUESTIONNAIRE

Dear Participant

QUESTIONNAIRE FOR THE DEVELOPMENT OF AN INTEGRATED OPERATING FRAMEWORK FOR STRATEGY EXECUTION IN GAUTENG MUNICIPALITIES

The purpose of this questionnaire is to establish the municipality's current state and ability to execute strategies. "Strategy Execution" in this questionnaire refers to the execution or implementation of strategies, plans and policies of the municipality. The results of the survey will be shared with those municipalities that participated.

PLEASE NOTE THAT THE SURVEY IS ANONYMOUS AND CONFIDENTIAL.

It is recommended that the questionnaire be completed by at least the following role-players in each municipality:

- **Top Management**
City Manager/Municipal Manager, CFO, CIO, CAE, IDP Manager and HODs responsible for operational execution (a **minimum** of 8 per District and Local Municipality and 12 per Metropolitan Municipality).
- **Middle Management**
Divisional Heads/Directors reporting to HODs, Regional Managers, Customer Care Area Managers and Managers (a **minimum** of 16 per District and Local Municipality and 25 per Metropolitan Municipality).
- **Organised Labour**
The leadership/shop stewards of the two (2) largest unions in the municipality and members of the LLF (a **minimum** of 3 per union).

It takes approximately 25 - 30 minutes to complete the questionnaire.

After completion - please seal the envelope and place in the sealed container/box.

QUESTIONNAIRE FOR THE DEVELOPMENT OF AN INTEGRATED OPERATING FRAMEWORK FOR STRATEGY EXECUTION IN GAUTENG MUNICIPALITIES

1. General Information

1.1 Please indicate your management level in the municipality with an “X”:

1.1.1	Top Management (CM/MM, DCMs, SEDs, HODs, CFO, CIO, IDP Manager, and more)	1
1.1.2	Middle Management (Divisional Heads/Directors reporting to HODs, Managers, and more)	2
1.1.3	Organised Labour (Shop Stewards, and more)	3

1.2 Please indicate in which municipality you are involved or employed with an “X”:

1.2.1	City of Johannesburg Metropolitan Municipality	1
1.2.2	Ekurhuleni Metropolitan Municipality	2
1.2.3	City of Tshwane Metropolitan Municipality	3
1.2.4	Sedibeng District Municipality	4
1.2.5	Emfuleni Local Municipality	5
1.2.6	Midvaal Local Municipality	6
1.2.7	Lesedi Local Municipality	7
1.2.8	West Rand District Municipality	8
1.2.9	Mogale City Local Municipality	9
1.2.10	Randfontein Local Municipality	10
1.2.11	Westonaria Local Municipality	11
1.2.12	Merafong Local Municipality	12

1.3 Please indicate the number of employees of your municipality with an “X”:

1.3.1	Under 2000	1
1.3.2	2000 – 5000	2
1.3.3	5000 – 10000	3
1.3.4	Above 10000	4

1.4 Please indicate the budget size of your municipality with an “X”:

1.4.1	Less than R500 million	1
1.4.2	R500 million – R 1 billion	2
1.4.3	R1 billion – R10 billion	3
1.4.4	More than R10 billion	4

1.5 Please indicate your highest qualification with an “X”:

1.5.1	Matric (Grade 12/ Standard 10)	1
1.5.2	One (1) Year Diploma	2
1.5.3	Three (3) Year Degree or Diploma	3
1.5.4	Honours Degree or higher	4

2. Strategy Formulation

2.1 Rate the current state of your municipality in terms of the following statements - please mark with an "X":

		Strongly Agree	Somewhat Agree	Somewhat Disagree	Strongly Disagree	Don't Know
1	A Growth and Development Strategy (GDS) has been approved by the Council.	1	2	3	4	5
2	The Growth and Development Strategy (GDS) is <u>fully</u> aligned to the political mandate (Outcome 9, Manifesto, and more).	1	2	3	4	5
3	The political mandate (Outcome 9, Manifesto, and more) is translated into policy directives.	1	2	3	4	5
4	A 5 Year Integrated Development Plan (IDP) has been approved by the Council.	1	2	3	4	5
5	The 5 Year IDP and the Growth and Development Strategy (GDS) are <u>fully</u> aligned.	1	2	3	4	5
6	The 5 Year IDP and the annual SDBIP are <u>fully</u> aligned.	1	2	3	4	5
7	Lekgotlas are annually scheduled <u>before</u> the start of the planning processes (IDP, budget and SDBIP).	1	2	3	4	5
8	The municipality utilizes external advisory boards (NGO's, universities, experts, and more) to advise on certain specialized matters.	1	2	3	4	5
9	Management <u>at all levels</u> participated in the formulation of the Growth and Development Strategy (GDS).	1	2	3	4	5
10	Management <u>at all levels</u> participated in the formulation of the 5 Year IDP.	1	2	3	4	5
11	Risks are planned for in the Growth and Development Strategy (GDS).	1	2	3	4	5
12	The municipality has a Risk Register.	1	2	3	4	5
13	The Risk Register is <u>at least</u> on a quarterly basis reviewed.	1	2	3	4	5
14	Scenario forecasting forms part of the municipality's planning process.	1	2	3	4	5
15	The outcomes of the Growth and Development Strategy (GDS) are spatially mapped.	1	2	3	4	5
16	At departmental level the SDBIP is <u>fully</u> cascaded into operational implementation plans.	1	2	3	4	5
17	Every project has a leader who is 100% responsible to see that the project is executed.	1	2	3	4	5
18	Every project is cascaded into a detailed project charter.	1	2	3	4	5
19	The Growth and Development Strategy (GDS) is formally reviewed <u>at least</u> every 2 years.	1	2	3	4	5
20	Strategy implementation is formally reviewed <u>at least</u> twice a month.	1	2	3	4	5

3. Leadership and Management

3.1 Rate the current state of your municipality in terms of the following statements – please mark with an “X”:

		Strongly Agree	Somewhat Agree	Somewhat Disagree	Strongly Disagree	Don't Know
1	The <u>execution</u> of decisions taken at meetings is monitored at the next scheduled meeting.	1	2	3	4	5
2	Middle managers have the ability to execute the strategy.	1	2	3	4	5
3	External stakeholders are engaged on at least a quarterly basis.	1	2	3	4	5
4	Fraud and corruption is a stumbling block in the effective execution of the strategy	1	2	3	4	5
5	During committee meetings of Council (Mayoral, Portfolio and management) – more than 50% of the allocated time is dedicated at monitoring strategy execution.	1	2	3	4	5
6	Senior management is <u>not</u> involved in the execution of the strategy.	1	2	3	4	5
7	Managers at all levels have a clear understanding of what the municipality's strategic objectives are.	1	2	3	4	5
8	The municipality's strategy is clearly communicated with all employees.	1	2	3	4	5
9	Senior managers are focusing their time primarily on the execution of the strategy.	1	2	3	4	5
10	Actions required to ensure successful strategy execution are clearly spelled out.	1	2	3	4	5
11	Management meetings are well planned.	1	2	3	4	5
12	Management meetings are productive.	1	2	3	4	5
13	Middle managers are committed to strategy execution.	1	2	3	4	5
14	Inadequate delegated powers in the municipality hamper effective strategy execution.	1	2	3	4	5
15	Inadequate management skills in the municipality hamper effective strategy execution.	1	2	3	4	5
16	Coordination across departments/municipal entities is poor.	1	2	3	4	5
17	The municipality focuses more on compliance than on execution.	1	2	3	4	5
18	There are adequate financial resources to accomplish the strategy.	1	2	3	4	5
19	The managers in the municipality are effective in taking decisions.	1	2	3	4	5
20	Senior managers set an example of disciplined strategy execution.	1	2	3	4	5
21	Senior managers set an example of sticking to due dates.	1	2	3	4	5

3.2 Rate the current state of your municipality in terms of the following statements – please mark with an “X”:

		Yes	No	Don't Know
3.2.1	Minutes of meetings are captured in project management format (what, how, when, who, where, and more.).	1	2	3
3.2.2	A Strategy Execution Team (SET) is established to monitor strategy execution.	1	2	3
3.2.3	The strategy execution process incorporates “lessons learned” from the previous financial year.	1	2	3
3.2.4	A tracking system monitors the execution of all committee resolutions of the Council (Management, Audit, Risk, Portfolios, MPAC, Mayoral Committee, Council, and more).	1	2	3
3.2.5	Strategy execution is monitored on a weekly basis at corporate level.	1	2	3
3.2.6	Strategy execution is monitored on a weekly basis at departmental level.	1	2	3
3.2.7	The performance of the municipality is formally assessed at least monthly.	1	2	3

4. Organisation, People and Skills

4.1 Rate the current state of your municipality in terms of the following statements – please mark with an “X”:

		Strongly Agree	Somewhat Agree	Somewhat Disagree	Strongly Disagree	Don't Know
4.1.1	The structure is fully aligned to the key service delivery processes.	1	2	3	4	5
4.1.2	The existing organisational structure supports the execution of the strategy.	1	2	3	4	5
4.1.3	The number of decision making levels contributes towards successful strategy execution.	1	2	3	4	5
4.1.4	The morale of the employees is high.	1	2	3	4	5
4.1.5	Managers responsible for strategy execution are skilled and competent.	1	2	3	4	5
4.1.6	Knowledge is well managed in the municipality.	1	2	3	4	5
4.1.7	Human Resource Management plans are in support of effective strategy execution.	1	2	3	4	5
4.1.8	The Skills Development Plan is in support of strategy execution.	1	2	3	4	5
4.1.9	There are adequate human resources to execute the strategy.	1	2	3	4	5

		Strongly Agree	Somewhat Agree	Somewhat Disagree	Strongly Disagree	Don't Know
4.1.10	All funded vacancies are filled within 3 months.	1	2	3	4	5
4.1.11	The municipality has invested in a management development program.	1	2	3	4	5
4.1.12	The municipality has invested in a project management training program.	1	2	3	4	5
4.1.13	The best applicants are not appointed in important positions due to political interference.	1	2	3	4	5
4.1.14	The municipality has a culture of urgency in execution.	1	2	3	4	5
4.1.15	The municipality has a culture of continuous innovation.	1	2	3	4	5
4.1.16	Execution is the primary focus of the municipality.	1	2	3	4	5
4.1.17	The municipality has a culture of dealing decisively with non performers.	1	2	3	4	5
4.1.18	Human resources at operational level are sufficiently skilled.	1	2	3	4	5
4.1.19	The municipality has a Human Resource (HR) Strategy in support of the Growth and Development Strategy (GDS).	1	2	3	4	5
4.1.20	There is a clear implementation plan for the HR Strategy.	1	2	3	4	5
4.1.21	Talent is well managed in the municipality.	1	2	3	4	5

5. Systems and Technology

5.1 Rate the current state of your municipality in terms of the following statements – please mark with an “X”:

		Strongly Agree	Somewhat Agree	Somewhat Disagree	Strongly Disagree	Don't Know
5.1.1	The municipality is well exposed to new technology.	1	2	3	4	5
5.1.2	All ICT systems are fully integrated.	1	2	3	4	5
5.1.3	Technology is used to monitor time and attendance (the clocking in and out of staff).	1	2	3	4	5
5.1.4	Technology is currently used to monitor the utilization of vehicles.	1	2	3	4	5
5.1.5	Technology is currently used to monitor the fuel consumption of vehicles.	1	2	3	4	5
5.1.6	An ICT Master Systems Plan (MSP) has been approved.	1	2	3	4	5
5.1.7	The MSP is aligned to the core service delivery processes.	1	2	3	4	5
5.1.8	The MSP is in full support of the Growth and Development Strategy (GDS).	1	2	3	4	5
5.1.9	ICT Systems provide accurate Management Information (MI) in support of strategy execution.	1	2	3	4	5
5.1.10	An early warning system is deployed that provides information about high impact service breakdowns (water, electricity, traffic lights, and more).	1	2	3	4	5
5.1.11	Effective strategy execution control mechanisms are currently implemented by the municipality.	1	2	3	4	5
5.1.12	The current processes of the municipality are effective in ensuring strategy implementation.	1	2	3	4	5
5.1.13	The municipality has procedural manuals for all the systems used.	1	2	3	4	5
5.1.14	The billing system of the municipality is effective.	1	2	3	4	5
5.1.15	The financial system of the municipality is effective.	1	2	3	4	5

6. Policies, Processes and Procedures

6.1 Rate the current state of your municipality in terms of the following statements – please mark with an “X”:

		Strongly Agree	Somewhat Agree	Somewhat Disagree	Strongly Disagree	Don't Know
6.1.1	The regulatory framework (acts, regulations and policies) enables successful strategy execution.	1	2	3	4	5
6.1.2	A simplified organisational structure is currently implemented.	1	2	3	4	5
6.1.3	The political mandate is translated into policy directives.	1	2	3	4	5
6.1.4	The business processes responsible for delivering the core services of the municipality are simplified.	1	2	3	4	5
6.1.5	<u>All</u> policies are at least annually reviewed.	1	2	3	4	5
6.1.6	The municipality maintains an updated policy manual.	1	2	3	4	5
6.1.7	All existing policies are supported by simplified Standard Operating Procedures (SOPs).	1	2	3	4	5
6.1.8	The business processes are aligned to the strategic objectives.	1	2	3	4	5
6.1.9	The business processes are effective in delivering services.	1	2	3	4	5
6.1.10	The business processes are supported by the required delegated powers.	1	2	3	4	5
6.1.11	The policies of the municipality contribute towards speeding up decision making.	1	2	3	4	5
6.1.12	The municipality's policies empower operational managers to implement projects.	1	2	3	4	5
6.1.13	A <i>Strategy Execution Policy</i> exists.	1	2	3	4	5
6.1.14	A <i>Performance Management and Audit Policy</i> exists.	1	2	3	4	5
6.1.15	The municipality's current delegated powers are enhancing strategy execution.	1	2	3	4	5
6.1.16	The decision making processes are effective and in support of strategy execution.	1	2	3	4	5

7. Resource Allocation and Budgeting

7.1 Rate the current state of your municipality in terms of the following statements – please mark with an “X”:

		Strongly Agree	Somewhat Agree	Somewhat Disagree	Strongly Disagree	Don't Know
7.1.1	There is alignment between the strategy and the allocated resources (finance, HR, equipment, and more).	1	2	3	4	5
7.1.2	The capital budget (CAPEX) was under spent during the previous financial year.	1	2	3	4	5
7.1.3	More than 50% of the maintenance budget was actually spent during the last quarter (April – June) of the previous financial year.	1	2	3	4	5
7.1.4	More than 50% of the capital budget (CAPEX) was actually spent during the last quarter of the previous financial year (April – June).	1	2	3	4	5
7.1.5	There are adequate financial resources available to achieve the strategy.	1	2	3	4	5
7.1.6	Detailed project implementation plans are drafted during the planning process.	1	2	3	4	5
7.1.7	Capital projects are assessed in terms of its readiness to be implemented <u>before</u> it's considered for funding.	1	2	3	4	5
7.1.8	The approved capital budget is annually under spent (CAPEX).	1	2	3	4	5
7.1.9	The operational budget is annually <u>under</u> spent.	1	2	3	4	5
7.1.10	The municipality's strategy is underpinned by a financial plan.	1	2	3	4	5
7.1.11	The municipality is doing well when it comes to value for money spending.	1	2	3	4	5
7.1.12	The operational budget is fully allocated to the SDBIP.	1	2	3	4	5
7.1.13	The capital budget is fully allocated to the SDBIP.	1	2	3	4	5
7.1.14	The 5 Year IDP is underpinned by a 5 year financial plan.	1	2	3	4	5
7.1.15	The Supply Chain Management (SCM) process delays strategy execution.	1	2	3	4	5
7.1.16	The SCM committees are meeting at least on a weekly basis.	1	2	3	4	5
7.1.17	More than 80% of the capital projects are executed by external contractors.	1	2	3	4	5
7.1.18	More than 80 % of the maintenance projects are executed by external contractors.	1	2	3	4	5
7.1.19	External contractors are well managed.	1	2	3	4	5

8. Services and Customer Care

8.1 Rate the current state of your municipality in terms of the following statements – please mark with an “X”:

		Strongly Agree	Somewhat Agree	Somewhat Disagree	Strongly Disagree	Don't Know
8.1.1	The municipality's Customer Relations Management (CRM) is effective.	1	2	3	4	5
8.1.2	Customer complaints are responded to within 24 hours.	1	2	3	4	5
8.1.3	All telephone calls received from customers are answered.	1	2	3	4	5
8.1.4	All e-mails received from customers are answered within 24 hours.	1	2	3	4	5
8.1.5	Enough vehicles are available to ensure effective service delivery.	1	2	3	4	5
8.1.6	The required operational equipment is available to ensure effective service delivery.	1	2	3	4	5
8.1.7	The Key Success Factors (KSFs) for each service are incorporated into the planning process.	1	2	3	4	5
8.1.8	Customer data such as complaints received are used to identify the needs and expectations of customers.	1	2	3	4	5
8.1.9	Minimum service standards were approved by the council.	1	2	3	4	5
8.1.10	Minimum service standards are fully implemented.	1	2	3	4	5
8.1.11	Deviations from the approved minimum service standards are closely monitored.	1	2	3	4	5
8.1.12	The municipality understands what their customers need and expect.	1	2	3	4	5
8.1.13	Resources are primarily targeting the needs of the customers.	1	2	3	4	5
8.1.14	The municipality has a five (5) year Maintenance Master Plan (MMP).	1	2	3	4	5
8.1.15	Maintenance programs at departmental level are scheduled in detail for every month of the year.	1	2	3	4	5
8.1.16	The quality of maintenance performed by external contractors is well managed.	1	2	3	4	5
8.1.17	A service delivery index (made up of the relevant KPIs) is utilized to monitor service delivery as experienced by customers.	1	2	3	4	5
8.1.18	Customer satisfaction surveys are conducted <u>at least</u> annually.	1	2	3	4	5
8.1.19	External contractors appointed to deliver services - are well managed.	1	2	3	4	5

9. Performance Management

9.1 Rate the current state of your municipality in terms of the following statements – please mark with an “X”:

		Strongly Agree	Somewhat Agree	Somewhat Disagree	Strongly Disagree	Don't Know
9.1.1	An operations planning centre is utilized to monitor strategy execution.	1	2	3	4	5
9.1.2	A productivity improvement program is implemented.	1	2	3	4	5
9.1.3	All projects at operational level are captured in the form of project charters.	1	2	3	4	5
9.1.4	All projects are weekly monitored and evaluated in terms of progress.	1	2	3	4	5
9.1.5	A standardized <u>one page</u> project progress report that is utilized by all project managers.	1	2	3	4	5
9.1.6	The annual IDP is <u>fully</u> aligned to the individual performance score cards.	1	2	3	4	5
9.1.7	Performance auditing of the individual score cards of managers is independently done.	1	2	3	4	5
9.1.8	The right KPIs that will ensure strategy execution are measured.	1	2	3	4	5
9.1.9	Every strategic objective is cascaded into SMART targets.	1	2	3	4	5
9.1.10	The Performance Management System (PMS) is rolled out to all levels of the municipality.	1	2	3	4	5
9.1.11	A <i>Performance</i> Audit Committee is established in the municipality.	1	2	3	4	5
9.1.12	The Performance Management System (PMS) of the municipality is effective.	1	2	3	4	5
9.1.13	The municipality developed a detailed set of Key Performance Indicators (KPIs) that will ensure the successful execution of the strategy.	1	2	3	4	5
9.1.14	Operational work teams execute tasks in accordance with clear and measurable job cards.	1	2	3	4	5
9.1.15	The Performance Management System (PMS) is in support of strategy execution.	1	2	3	4	5
9.1.16	Productivity is regularly measured in the municipality.	1	2	3	4	5
9.1.17	There is a common understanding of the priorities of the municipality.	1	2	3	4	5
9.1.18	There is a match between the goals and the reward system.	1	2	3	4	5
9.1.19	There is a fair performance measuring system in the municipality.	1	2	3	4	5
9.1.20	Operational work teams are officially measured in terms of their performance.	1	2	3	4	5
9.2.21	The community will rate the municipality as <u>effective</u> in delivering the expected services.	1	2	3	4	5

THANK YOU FOR YOUR TIME

ANNEXURE B:

LETTER FROM THE GAUTENG MEC FOR LOCAL GOVERNMENT



GAUTENG PROVINCE
LOCAL GOVERNMENT AND HOUSING
REPUBLIC OF SOUTH AFRICA

Ref: Ms Geraldine Mettler
Chief Director: Policy, Research & Sector Development
Tel: (011) 355 5046
Email: geraldine.mettler@gauteng.gov.za

TO: ALL EXECUTIVE MAYORS
Gauteng

CC: MUNICIPAL MANAGERS

Honourable Executive Mayor,

SURVEY FOR THE DEVELOPMENT OF AN INTEGRATED OPERATING FRAMEWORK FOR STRATEGY EXECUTION IN GAUTENG MUNICIPALITIES

The Department in collaboration with PriceWaterhouseCoopers (PwC) is embarking on a study focussing on strategy execution in municipalities. The study will focus on the main reasons and contributing factors causing or preventing Gauteng municipalities to effectively and efficiently execute their strategies. It will furthermore strive to enhance efficiency within municipalities through the development of a framework for strategy execution.

The municipal administration is primarily responsible for the execution of strategies, plans and policies. The cooperation and participation of the municipality's senior and middle management are therefore very important. It is however also important to include organised labour in the survey. The Gauteng Department and PwC will soon meet with the Municipal Manager to deliver the questionnaires and to discuss the management of the project. The intention is to conclude the completion of the questionnaires by not later than 10 December 2011.

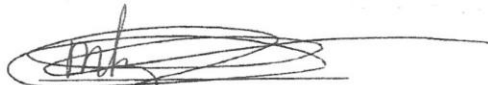
All information gathered from individuals will be anonymous and be treated as confidential. It is important that all the participants be allowed to participate honestly, openly and without fear. It is important for the department to establish where the problem areas are as to know where

Department of Local Government and Housing, No 37 Sauer Street/No 63 Fox Street, Johannesburg, 2001. Private Bag X 79, Marshalltown 2107 Tel: (011) 355-4000/5000. Fax: (011) 834-3670/ (011) 355 5196. Website: www.housing.gpg.gov.za/www.dlg.gpg.gov.za

and how to support. A report of the key findings as well as recommendations will be shared with all participating municipalities in Gauteng.

I trust that you will find the letter and the request herein contained reasonable and therefore look forward to your leadership and support in the process proposed.

Sincerely,


HMZ MIMEMEZI
MEC: GAUTENG LOCAL GOVERNMENT AND HOUSING
DATE: 2011/11/15

ANNEXURE C:
LETTER FROM DR S.M. ELLIS
(STATISTICAL CONSULTATION SERVICES)



NORTH-WEST UNIVERSITY
YUNIBESITHI YA BOKONE-BOPHIRIMA
NOORDWES-UNIVERSITEIT
POTCHEFSTROOMKAMPUS
Privatebag X6001 Potchefstroom 2520
Tel (018) 299 1111 Fax (018) 299 2799
<http://www.nwu.ac.za>

Statistical Consultation Services

Tel: (018) 299 2016

Fax: (018) 299 2557

7 March 2013

To whom it may concern

Re: Thesis Mr JH Leibbrandt, student number: 22696946

We hereby confirm that the Statistical Consultation Service of the North-West University has analysed the data and assisted with the interpretation of the results.

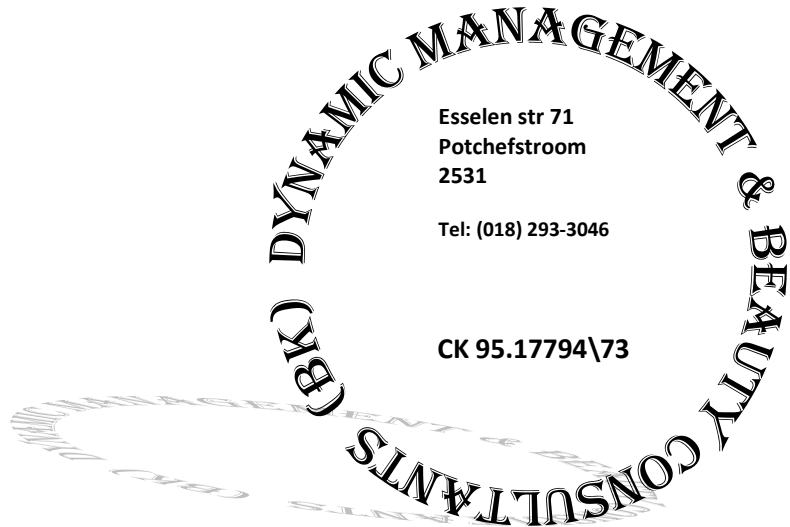
Kind regards

DR S M ELLIS Pr Sci Nat

Head: Statistical Consultation Services

ANNEXURE D:
LETTER FROM MS A. BISSCHOFF
(LANGUAGE, TECHNICAL AND TYPOGRAPHIC EDITOR)

April 29, 2013



To whom it may concern

Re: Letter of confirmation of language editing

The Ph.D. thesis *“Development of an Integrated Operating Framework for Strategy Execution in Gauteng Municipalities”* by JH Leibbrandt (21966443) was language, technically and typographically edited. The sources and referencing technique applied was checked to comply with the specific Harvard technique as per latest North-West University prescriptions¹. Final editing and printing remains the responsibility of the student.

Antoinette Bisschoff

BA (Languages); MBA

SA Translators' Institute (SATI)/SA Vertalersinstituut (SAVI) Membership: 1001891

Officially approved language editor of the NWU

¹ 2012 NWU Reference guide